

NEWS: EUROPE

Bribe scandals hit Italy's credit ratings

By Robert Graham in Rome

THE spreading corruption scandals affecting Italy's political establishment are beginning to affect Italy's credit ratings.

Standard & Poor's, the US credit rating agency, yesterday announced a downgrading of the rating on Italy's sovereign long-term foreign debt from AA+ to AA. This comes after last Friday's statement from Moody's, the other main international credit rating agency, that Italy's debt was to be placed under review.

The Moody's move provoked an unprecedented joint rebuttal from the Bank of Italy and the Treasury. They accused Moody's of failing to take account of the positive corrective measures introduced in recent months to tackle Italy's public sector deficit.

Yesterday the Italian financial authorities issued no formal response to the S&P move. Even with yesterday's downgrading S&P still rates Italy as a significantly better credit risk than Moody's. If Moody's review results in Italy being

downgraded to single A status, then many credit-conscious international investors will cease to buy its bonds.

Standard & Poor's action yesterday was based on a combination of political and economic criteria. The agency said the corruption scandals were weakening the fragile government coalition. The markets, which had reacted nervously to Moody's announcement, appeared to have discounted a move by Standard & Poor's.

The lira was being traded yesterday at L956 against the D-Mark.

Last August, when problems first arose with creditors over payment of debts of Enim, the state holding company placed in liquidation, Moody's downgraded Italian debt from AA1 to AA3. Italy has undertaken with its EC partners, in return for a four-tranche Ecu8bn (\$9.28bn) loan, to reduce the public sector deficit from nearly 11 per cent to 9.3 per cent of GDP this year. The budget envisages raising L93,000bn (\$67.66bn) in taxes and extra revenues, about 5.8 per cent of GDP.

Private pension funds get go-ahead

By Haig Simonian in Milan

ITALY'S government has opened the way to private pension funds, bringing the country into line with most of its European neighbours.

The step, still to be discussed by parliament but to be passed as a decree law, will take pressure off the overburdened state pension system and should stimulate the flow of new funds to the stock market ahead of the government's privatisation programme.

Italian shares rose strongly for the second day running yesterday as a result of the decision, which should eventually boost equity purchases by big institutional investors. Shares in insurance compa-

nies, seen as the main beneficiaries of the planned new legislation, rose most strongly. Trading was particularly active, according to brokers.

The voluntary system, which will not replace the existing state pension scheme, will be open to individuals, professional associations, trade unions and companies. The attraction of private pensions will be boosted by tax incentives, akin to those currently available on life insurance policies, where regular premiums can be partly offset against income tax.

The finances of Italy's state pension scheme have been increasingly strained in recent years.

EC in new agreement on small print in contracts

By Andrew Hill in Brussels

THE European Community yesterday gave consumers a new weapon to use against unfair small print in contracts. EC consumer affairs ministers agreed a directive to outlaw standard contracts weighted against the consumer.

The accord ends 18 years of discussion between member states, and could open a range of previously acceptable agreements to legal challenge, including banks' contracts with customers, package holiday deals which allow tour companies to impose surcharges, and even broad warranties that customers use services "at their own risk".

But consumer organisations said yesterday that the new legislation, which will not come into force until December 31 1994, did not go far enough, and was too vague. They believe it should include a definitive list of illegal clauses, rather than an "indicative" list, and should cover all contracts, including those negotiated by the consumer.

Ms Monique Goyens, legal adviser to Beuc, the European consumers' organisation, said: "We are pleased that this directive is almost on the statute books, but it will bring few concrete benefits to any of Europe's consumers."

Other consumer groups said its main benefit would be to raise consumers' awareness of the dangers hidden in the small print.

Ms Rebecca Evans, barrister with the Consumers' Association in London, said: "A big piece of legislation coming in will reinforce in the public mind that they are not stuck with the small print, and there are things that companies can't do."

Mr Jan Trojberg, minister for industry in Denmark, which holds the EC presidency, said the directive would raise minimum consumer protection standards in southern EC countries such as Spain and Portugal, although EC governments could introduce stricter legislation.

Ukraine accused of N-weapon leaks

By John Lloyd in Moscow, Christia Freeland in Kiev and David White in London

UKRAINE'S nuclear missiles are leaking dangerous amounts of radiation because Kiev is refusing to give Russia access to the weapons for maintenance, General Mikhail Kolesnikov, head of the general headquarters of the Russian army, said yesterday.

"According to our data, the radiation levels from some sites exceed the permissible levels by thousands of times," Gen Kolesnikov said.

The state of the weapons was now "very serious". Russia had "lost control" of the missiles and could no longer take responsibility for their safety.

Mr Boris Tarasuk, Ukraine's deputy foreign minister, yesterday described the latest Russian claims as "imaginations". He said Russia was pressing Ukraine to give up the missiles.

"According to our experts the state of the nuclear missiles located on Ukrainian territory in no way differs from that of the missiles found in Russia," Mr Tarasuk said. He said that Russian experts had full access to the missiles to perform necessary maintenance and that Ukraine was fully prepared to pay for Russian spare parts.

A senior Nato diplomat in Kiev said yesterday that he was concerned about the safety of the warheads and hoped the issue would be resolved quickly. He said it was difficult to determine the true state of the missiles "but



Yeltsin appeals to reformist legislators to help him end the power struggle in Congress at a meeting in Moscow yesterday

I am more inclined to believe the Ukrainian claims".

Mr Shaun Gregory, a nuclear weapons specialist at the University of Bradford's School of Peace Studies, said nuclear materials would deteriorate more rapidly in older and less sophisticated weapons such as the six-warhead SS-19 missiles, which were deployed more than 10 years ago. Ukraine has 130 of these mis-

siles at Khmel'Nitskiy and Pervomaysk. Warheads were normally refurbished every couple of years, he said.

In the former Soviet Union, Russia had the only facilities for making and refurbishing warheads, and was the only source of weapons-grade uranium and plutonium. Gen Kolesnikov's remarks yesterday are the latest in a war of words between the neighbour-

ing Slav states, which are also in dispute over gas prices and supplies and on the division of former Soviet debt.

Mr Andre Kozyrov, Russia's foreign minister, said Russia was gravely concerned that Ukraine had taken effective control of the strategic missiles on its territory. Speaking at parliamentary hearings on the Start 2 arms reduction treaty, he expressed doubt that

the Ukrainian parliament would ratify both the Start 1 and Start 2 treaties.

Completing the barrage of complaints and threats, General Pavel Grachev, the Russian minister of defence, said if talks now going on between the Ukrainian and Russian governments on the missiles broke down, he would take unspecified action to resolve the crisis.

UN and EC deplore fighting

By Michael Littlejohns at the UN, New York

UNITED NATIONS and European Community negotiators yesterday deplored the continuation of heavy fighting in eastern Bosnia while peace talks under their auspices were taking place in New York.

Mr Cyrus Vance and Lord Owen deplored the fact that despite numerous assurances, as well as Security Council calls for the observance of international humanitarian law, land relief convoys were still blocked.

The joint mediators urged immediate access and measures to enable the wounded to be evacuated. They also expressed concern about new displacements of innocent civilians.

Their statement was issued after President Alija Izetbegovic of Bosnia-Herzegovina raised the matter with the mediators at the outset of his first meeting with them since the talks were transferred from Geneva.

On Monday he told reporters in Washington that he was bringing proposals to the UN

for a US role in a ceasefire and military disengagement, but no details of this were immediately available.

Responding to the Bosnian leader's insistence that he would not take part in full-scale negotiations, Mr Fred Eckhard, the conference spokesman, observed: "I think his presence here this morning is the answer."

However, there was still no indication if or when a negotiating session including all the parties would take place in New York.

Drivers to face tolls on all main European roads

By Richard Tomkins, Transport Correspondent

TRANSPORT ministers from Britain and Germany yesterday warned that car and lorry drivers faced the widespread introduction of tolls on Europe's trunk roads and motorways.

They said raising more money from vehicle drivers presented the only realistic prospect of funding the increases in road capacity needed to cope with the likely growth in European traffic.

Opening a Financial Times transport conference in London yesterday, Mr John MacGregor, UK transport minister, said the challenge to governments throughout Europe was how to finance the new roads their economies needed.

Britain alone had some £20bn (\$28.4bn) worth of road projects planned, he said. Given the competing pressures on government funds, it would take "some considerable time" to carry out this programme unless new sources of finance could be tapped.

Mr MacGregor said the UK government would this spring be proposing the introduction of direct charges for the use of inter-urban roads to attract private sector finance into roadbuilding.

Mr Günther Krause, German

transport minister, told the conference that Europe faced a looming "mobility crisis" because of rapidly rising traffic flows - with Germany, the "number one transit country," at the centre of it.

The German government, he said, was planning to introduce motorway charges to fund new roadbuilding, so creating the conditions for a privatisation of the motorway network. Budget funds released by the new tolls would be spent on improving the railways.

Mr Krause said that what Germany wanted to see was a Europe-wide system of electronically-collected road tolls so that each country could recover the costs it incurred on its roads from the people who used them, rather than from the taxpayer.

The EC ministers' views were echoed by Mr Andras Timar, representing Hungary's ministry of transport, which last week became the first former communist country to award a concession for a privately-funded toll road.

"It has to be emphasised that without an active participation of foreign and private capital in financing transport investments needed in Hungary and all other eastern and central European countries, there is no real chance for economic recovery, transition, and European integration in a reasonable time," Mr Timar said.

Sweden rules out Ecu peg

SWEDEN'S central bank governor yesterday ruled out pegging the krona to the European currency unit in favour of linking it to the D-Mark or entering the European exchange rate mechanism once Sweden became a member of the European Community, writes Karen Fossell in Oslo.

Sweden, along with Norway and Finland, has applied to

join the EC and hopes to become a member by 1995.

Sweden uncoupled the krona from the Ecu on November 19 and the currency has since been devalued by about 20 per cent. The krona was floated after a failed attempt to maintain the Ecu link, including an increase by the central bank in the key overnight lending rate to 500 per cent.

Turkey to press for early EC entry

By David Gardner in Brussels

TURKEY remains determined to push for early EC membership and to trade on its growing importance as a regional power to do so.

Mr Erdal Inonu, Turkey's prime minister, made clear yesterday Ankara was looking beyond its recently-enhanced political relationship with the EC to firm commitments that it will get membership.

"We are sticking to the aim of becoming members in the near future," he said in an interview with the FT. "We are not looking for definite dates but for support, so that Turkey is not left in limbo."

Mr Inonu is the leader of the Social Democratic Populist party, junior partner in Mr Suleyman Demirel's conservative-led coalition.

He stressed the benefit to Europe of Turkey's strategic role as a stabilising force on the Turkish nations of central Asia, and a bulwark against Iranian influence in these former Soviet republics.

"To get that assurance" of EC membership "would guarantee the benefit of the role Turkey can play in that part of the world," Mr Inonu said.

"If not, the EC won't get the benefit of that role."

Mr Inonu was in Brussels for talks with the European Commission, including with its president, Mr Jacques Delors, as part of a European tour taking in five EC member states.

Top-level ministerial contact with the EC was institutionalised last November as part of an upgrading of the 29-year-old association agreement. Turkey has with the European Community.

Turkey's 1987 membership application was turned down in 1989 because of doubts about its democratic credentials and human rights record, and because its economy and per capita income lagged far behind average EC development levels.

Mr Inonu said his government's "aims of democratisation and stable growth had been taken up convincingly".

They had prompted changes in the attitude of the EC, he declared.

Serbs lift blockade of Danube

By Virginia Marsh in Bucharest

SERBS yesterday lifted a week-long blockade of the River Danube which stranded at least 22 ships in ports along the river and halted international traffic.

The Romanian ministry of transport said 22 convoys, including ships from Austria, Bulgaria, Holland, Hungary,

Romania and Ukraine had been stranded on either side of the barricades formed of barges near the Serb frontier port of Prahovo. A further 24 vessels were waiting in Romanian Danube ports.

Serb harbour workers had strung 12 barges across a Serb and Romanian stretch of the river last Tuesday in retaliation for Romania's enforcement of UN sanctions. The har-

bour workers had said they would not lift the barricade until Romania allowed a Serbian ship loaded with 4,000 tonnes of fuel oil to sail upstream to Belgrade.

Trade between the Black Sea countries and Europe has been severely disrupted by the blockade. About 35 ships and 120 barges passed through the Iron Gates lock, upstream from Prahovo, each week.

France counts cost of peace

By David Buchanan in Paris

THE cost to France of deploying some 10,000 soldiers in the service of the United Nations and of other emergency military missions abroad will rise from FF3.2bn (\$400m) last year to FF4.4bn this year, Mr Pierre Joxe, the defence minister, forecast yesterday.

Clearly regarding as a dubious privilege France's provision of more troops to the UN than any other country, Mr Joxe told the newspaper Les Echos that he had asked the government to bear the cost of bonuses for soldiers serving overseas out of its general budget. Otherwise, the defence equipment budget would suffer, he warned.

Pay bonuses account for two-thirds of special military operations abroad, the minister said. Conscripts, for instance,

who volunteer to serve in Yugoslavia receive FF5,000 a month, or 10 times their normal stipend at home.

The Socialists strongly oppose the phasing out of conscription, proposed by some leading members of the RPR. Gaullists who are expected to form part of the new government after next month's election. The army general staff yesterday published a study claiming that the French army of 260,000 men was not only "no worse equipped" than Britain's purely professional force of 130,000, but 20 per cent cheaper.

Meanwhile, Mr Joxe has said more arms sales like last month's deal to supply the United Arab Emirates with \$3.5bn (\$2.46bn) worth of tanks could be in the offing.

He cited Oman as a potential buyer.



Joxe: requested more money

OBITUARY

Triffin: far-sighted economist

ROBERT TRIFFIN, who played a major role in the recreation of European currency convertibility after the second world war and correctly diagnosed the critical weakness of the Bretton Woods fixed exchange rate system, died on February 23 in Ostend, Belgium, at the age of 81.

Born in Flobecq, Belgium, Triffin was educated at Louvain and Harvard Universities, becoming a US citizen in 1942. Between 1949 and 1949 he held positions with the Federal Reserve System and the International Monetary Fund. His most important official role, however, was in Paris as special policy adviser at the Economic Co-operation Administration and alternate US representative at the European

Payments Union, between 1949 and 1951. Thereupon, Triffin taught at Yale University, before returning to Belgium in 1977 and resuming Belgian citizenship.

Triffin's main practical contribution to international monetary economics came shortly after the second world war in the establishment of the European Payments Union. The EPU set the European currency on the path towards currency convertibility and provided a framework for the renewal of multilateral trade within Europe.

Triffin's most important intellectual contribution, however, was his seminal critique of the Bretton Woods system, first published in 1959 and reprinted in 1960 in the most

famous of his books, *Gold and the Dollar Crisis*. Though proved largely right, his fate was to be a Cassandra, unable to persuade policy makers to make the changes that would have preserved a system in whose underlying principles he strongly believed.

Triffin argued that the fundamental flaw in the operation of the international monetary system agreed at Bretton Woods, New Hampshire in 1944 would turn out to be not a shortage of dollars, as most economists had argued, but a glut. Inadequate growth of the stocks of monetary gold would make the world increasingly dependent on rising US dollar reserves, which would have to be supplied through a deficit in the US balance of payments.

Sooner or later, however, the US would have to correct its deficit, since the rest of the world would become increasingly unwilling to accept the US currency at a fixed exchange rate.

At that stage, he argued, the world would face a three-fold choice: revaluation of the gold stock; generalised floating; or internationalisation of foreign exchange reserves. Triffin preferred the last alternative. As was probably inevitable, however, the US pre-empted that choice by terminating US dollar convertibility into gold in 1971, a decision that left the world with its subsequent regime of floating exchange rates among major currencies.

Martin Wolf

The Financial Times (Europe) Ltd
Published by The Financial Times
(Europe) GmbH, Frankfurt Branch,
Nobelsplatz 3, 6000
Frankfurt-am-Main 1. Telephone 49 69
156830; Fax 49 69 3964481; Telex
416193. Represented by E. Ruge,
Managing Director, Printer: DVM
GmbH-Herrnstein International, 6078
Neu-Isenburg 4. Responsible editor:
Richard Lambart, Financial Times,
Number One Southwark Bridge,
London SE1 9HL. The Financial Times
Ltd, 1993.

Registered office: Number One,
Southwark Bridge, London SE1 9HL.
Company incorporated under the laws
of England and Wales. Chairman:
D.E.P. Palmer. Main shareholders: The
Financial Times Limited, The Financial
Times Group Ltd. Editor: Richard Lambart.
Circulation: 50,000. Editor: Richard Lambart.
Printer: SA Nord Edin, 15721 Rue de
Cairo, 99100 Roubaix Cedex 1. ISSN:
ISSN 1148-2733. Commission Paritaire
No 67686D.

Financial Times (Scandinavia)
Vimmlskäftet 42A, DK-1161
Copenhagen K, Denmark. Telephone
(33) 13 44 41. Fax (33) 933355.

هكذا من النهر

German output continues to fall

By Christopher Parkes
in Frankfurt

GERMANY'S industrial slump is continuing unabated, despite signs of a modest improvement in output during January.

Output is falling by an average 2.5 per cent each month and the construction industry is now the only sector showing any growth, according to figures published by the Economics Ministry yesterday.

Meanwhile, steel output has plunged and details of incom-

ing orders in the engineering business showed further falls in domestic and foreign demand.

Total industrial output in January was 3 per cent higher than in December despite widespread short-time working in the automotive industry, according to the Economics Ministry.

The apparent recovery followed a 3 per cent month-on-month fall in December (corrected from 2 per cent), when most of industry took extended Christmas breaks.

A comparison of production in December and January together with the same period a year earlier showed total output had fallen 6.8 per cent; manufacturing was down 7.7 per cent.

Within this figure, production of capital goods slumped almost 11 per cent, while construction rose 2.5 per cent.

New figures from the VDMA engineering and plant makers association showed new orders in January were 15 per cent lower than a year earlier. Domestic demand fell 24 per

cent and new foreign contracts were down 11 per cent.

This sector, second only to the motor industry as an export earner, has now recorded falling orders for almost a year with only slight signs of improvement from overseas markets more than cancelled out by diving domestic demand.

In the three months to the end of January total orders were 13 per cent lower than the comparable period 12 months earlier.

The knock-on effects of this downturn, cuts in the motor industry and the international steel crisis are now wholly apparent in the steel sector, where January output of steel and rolled finished products was 25 per cent and 15 per cent lower than in January 1991.

Other government statistics due out later this week are expected to show further sharp increases in unemployment and falling orders across the whole of manufacturing industry.

Hungary widens net in sell-off campaign

By Nicholas Denton
in Budapest

HUNGARY yesterday set in motion plans to draw most of the population into the country's privatisation programme. J. Henry Schroder Wagg, the UK investment bank which is to advise on the government's campaign to speed sales and recruit the general public as investors, said Hungary was considering offering millions of small investors concessions, including cheap credit, to buy assets remaining in state control.

Entrepreneurs would be able to buy small state-owned companies, or to invest in shares in a company through Hungary's stock market.

The proposals for popular participation mark a departure for Hungary. Until now it has relied heavily on foreign investment and market pricing. The first phase of privatisation, predominantly involving trade sales to western consumer goods companies, is running out of steam.

Acquisitions by Ferruzzi, Unilever, Nestlé, British American Tobacco, Philip Morris and many other multinationals helped give privatisation proceeds of more than Ft100bn (280.4m) in 1991-92.

But the frequency of large deals is declining because the most attractive and easily digestible properties in the state's portfolio, like the cigarette makers, have already been sold. Foreign investor interest is now focusing on the utilities, but their privatisation needs to be preceded by time-consuming regulation.

The conservative government is anxious to draw in popular support for privatisation because of a widespread belief that foreigners and state company managers, many of them former communists, have monopolised privatisation. The Hungarian Democratic Forum, the governing party, is given added incentive by its political predicament; elections are approaching in 1994, with the Forum trailing the liberal and socialist opposition heavily in opinion polls.

New car sales may fall by 8-9%, warn carmakers

By Kevin Done, Motor
Industry Correspondent, in
Geneva

LEADING car makers warned yesterday that West European new car sales could fall by 8-9 per cent this year with a decline of around 1.1m.

Mr Louis Hughes, president of GM Europe, forecast a drop in new car demand across west Europe to around 12.3m from 13.45m last year.

Mr Hughes forecast a fall in new car sales in four of the five main volume markets, Germany, Italy, France and Spain with only a modest increase in the UK. Sales in the five markets, which account for more than 80 per cent of total west European new car registrations, are forecast to fall by more than 1m units to just under 10m this year.

The most dramatic decline was expected in Germany where new car sales were forecast to fall by 19 per cent to around 3.2m, a loss of almost 750,000 units from 1992, said Mr Hughes.

In Italy, Europe's second largest market, new car sales were expected to drop by 10 per cent to under 2.1m, he said.

Mr Hughes warned that the workforce of GM Europe (Opel/Vauxhall) would be cut by around 3,000 this year following a similar reduction in 1992. GM Europe has a complete halt on the recruitment of hourly-paid workers in its European operations.

GM Europe's core Opel/Vauxhall car and light commercial vehicle operations suffered a 31 per cent fall in net profits last year to \$1.36bn from a record \$1.96bn in 1991, the company said yesterday. However, it remained the most profitable volume car maker in Europe.

The chief executives of Ford and Peugeot issued similarly pessimistic forecasts for European car demand this year, which will add pressure to the continuing disagreement between the European Community and Japan over the level of Japanese car sales in Europe this year.

Sharp rise in asylum seekers

By Quentin Peel in Bonn

THE number of asylum seekers arriving in Germany reached more than 38,000 in February, a mid-winter record, with a sharp increase in the number coming from Romania.

In spite of strenuous efforts by German border police to stem the flow of would-be immigrants from eastern Europe, the latest statistics show an increase of 20 per cent in the first two months of the year, compared with the same period in 1992.

Mr Rudolf Seiters, the German interior minister, said the latest figures provided confirmation of the need for urgent changes in the country's liberal asylum law, currently delayed in parliamentary procedures.

He also released figures showing that of 34,505 applications for asylum processed in the course of February, only 539, or 1.6 per cent, were granted. Of the remainder, 68 per cent were rejected as economic migrants, not political refugees, and 30 per cent withdrawn.

In the February figures for asylum-seekers, no fewer than 45 per cent came from Romania and Bulgaria - 12,853 from Romania, compared with only 3,760 a year ago. In contrast, there was a 45 per cent fall in the number from former Yugoslavia: 5,637 this year, compared with 12,540 last February.

Talks break down after employers refuse 26% rise

By Judy Dempsey in Berlin

ARBITRATION talks for east Germany's metal and electrical workers broke down on Monday night after Gesamtmetall, the employers association, told IG Metall, Germany's giant engineering union, it would not pay the sector a 26 per cent wage increase.

The breakdown of the talks means that IG Metall will have to decide what room there is for compromise without losing face, or gauge whether its 280,000 members have the stomach for an all-out strike in an industry facing increasing unemployment.

Throughout the talks in the five east German states, Gesamtmetall had offered IG Metall a 9 per cent rise, an increase which is becoming the accepted target in other industrial sectors of the eastern economy. However, IG Metall officials yesterday said such an increase ignored the fact that east Germans had to pay west German prices with east German incomes. It also accused employers of reneging on a contract agreed in March 1991 which would bring east German wages up to west German levels by April 1994.

Wages for eastern Germany's metal, electrical and steel sectors are currently 70 per cent

of west German levels. A 26 per cent increase next month would have brought them up to 82 per cent, even though productivity is about 70 per cent below west German levels.

Arbeitsgeberverband Stahl, the steel employers association, which yesterday started arbitration talks in Berlin with IG Metall for the steel sector, said it too was prepared initially to offer eastern German steel workers a 9 per cent pay increase, instead of the planned 20 per cent stipulated in the March 1991 contract. A spokesman denied the association was breaking the contract. "A clause in the contract legally entitles us this year to revise the timetable and wage increases, if economic expectations radically changed from the original agreement."

But IG Metall believes the employers are not negotiating in good faith. "What is at stake is the entire principle of collective wage bargaining," Ms Dagmar Opoczynski, a spokeswoman for IG Metall said. "The employers want to opt out of collective wage bargaining and set their own wage levels in eastern Germany. If they break the wage contract in eastern Germany, they can do it in western Germany," she said.

IG Metall has responded to the breakdown of talks by organising demonstrations.



Workers in protective suits saw down trees in a contaminated Frankfurt suburb after a toxic cloud escaped from a Hoechst chemical plant. The clear-up will cost at least DM10m (\$6.14m)

OECD urges reform of Danish benefits

By Hilary Barnes
in Copenhagen

A "SUSTAINABLE and significant reduction" in Denmark's unemployment rate, currently running at 11.7 per cent on a seasonally adjusted basis, cannot be achieved without reforms of the unemployment benefit system, according to the OECD's annual report on the Danish economy.

A benefit rate of 90 per cent of wages for those at the lower end of the wage scale is too generous and reduces the incentive to seek work, while the benefit period - up to nine years - is too long, says the report.

Changing the system is politically difficult, but "the pay-off in tackling the problems of high income support and of enforcement would be large in

terms of fewer people out of work, higher potential output, and improved public finances," it says.

The report is optimistic about Danish growth potential. Policies which have produced an inflation rate of only about 1.5 per cent and a balance of payments surplus close to 3 per cent of gross domestic product have laid the foundations for the country "to resume a sustainable path of further growth," it says.

But it warns against further relaxation of fiscal policy, which was loosened considerably by the budget for 1993.

The OECD forecasts a 2.1 per cent GDP growth rate for Denmark in 1993, which is slightly higher than the latest Danish government forecast and reflects a higher OECD forecast for export growth.

INVITATION FOR INTERNATIONAL PUBLIC TENDER

**CONCESSION OF DRINKING WATER AND
SEWAGE DRAINAGE SERVICES CURRENTLY PROVIDED BY
DIRECCION PROVINCIAL DE OBRAS SANITARIAS (DIPOS)
[PROVINCIAL BOARD OF SANITARY WORKS]
OF THE PROVINCE OF TUCUMAN**

Law N° 6071, Decree Ac. N° 07/1 - 93; Decree N° 288/3/93

FIRST STAGE

OBJECT:
**CALL FOR PREQUALIFICATION OF BIDDERS
INTERESTED IN THE CONCESSION.**

OPENING OF TENDERS

PLACE: HOUSE OF GOVERNMENT, White Hall, located at 90, 25 de Mayo St., 1st. Floor, City of San Miguel de Tucumán, REPUBLIC OF ARGENTINA.

DATE: April 19, 1993 (19.04.93) at 12.00 a.m.

VALUE OF BIDDING CONDITIONS: U.S. \$ 10,000.- (U.S. Dollar Ten Thousand).

SALE OF AND ENQUIRIES UPON BIDDING CONDITIONS: Bidding Conditions may be enquired upon or purchased as from February 18, 1993, (18.02.93) at the DIRECCION PROVINCIAL DE OBRAS SANITARIAS (DIPOS), Telephone 31-0162 Fax 31-0297, located at 129 Monteagudo St., in the City of San Miguel de Tucumán (Mail Code 4000), Republic of Argentina, or at the CASA DE TUCUMAN, located at 823 Bartolomé Mitre St., in the Federal Capital City of Buenos Aires, Republic of Argentina, Telephone: 40-4994 / 40-0655 - Fax 40-5185.

SUBMITTAL OF TENDERS: Bidders may submit their respective tenders at the DIRECCION PROVINCIAL DE OBRAS SANITARIAS (DIPOS), located at 129 Monteagudo St., in the City of San Miguel de Tucumán.

**REPUBLIC OF ARGENTINA
PROVINCE OF TUCUMAN**

Ministry of Economy, Secretariat for Public Works and Services
Dirección Provincial de Obras Sanitarias (DIPOS)



**640,000* French decision-makers always
start the day with a full breakfast.**

*Among the many fine table traditions
enjoyed in France, one is particularly suited to the
taste of French decision-makers: les Echos, France's
leading business newspaper.*

*The results of the 1991 European Business
Readership Survey (EBRS) speak for themselves: les
Echos is read by 61.4% of the country's top managers,
who also put their trust in Enjeux les Echos, the group's
monthly magazine. So whether you have a product to
sell or you wish to raise your company's profile, now
you know the best way to reach French executives in
the morning, beside their croissants.*

les Echos
Le Business Daily

NEWS: INTERNATIONAL

Malaysia may buy \$700m Mig fighters

By Kieran Cooke
in Kuala Lumpur

THE cold war might be over but the arms race continues. For the past two days Mr Alexander Rutskoi, vice-president of Russia, has been acting as an arms salesman in Malaysia.

The Malaysian air force wants a new generation of fighter aircraft. After considering French and Anglo-German-Italian fighters, the choice has come down to the Russian Mig 29, the General Dynamics F-16 or the McDonnell Douglas F/A-18. The value of the initial fighter contract is estimated at anywhere between \$700m (\$490m) and \$1bn.

This increasingly hard-nosed battle between Russia and the US comes at a time of growing defence spending in many Asian countries. Nervousness has set in following the closure of US bases in the Philippines. There is concern that conflicts might arise over ownership of the Spratlys — a group of islands in the South China Sea claimed by China, Vietnam, Taiwan, Malaysia, the Philippines and Brunei.

The increasing power of China's armed forces is worrying many in the region. China purchased nearly \$2bn worth of arms from Russia last year, including advanced Su-27 fighters, and is considering buying a Russian aircraft carrier.

Yesterday, in a meeting with Dr Mahathir Mohamad, the Malaysian prime minister, Mr Rutskoi is believed to have offered to set up various spare parts and technical facilities in Malaysia for the Mig. Malaysia's defence spending is rising by more than 20 per cent this year.

"It is in our interests to see that there will be no vacuum in the region, as it may result in a new area of conflict," says Mr Najib Abdul Razak, Malaysia's defence minister.

Last month Malaysia signed a memorandum of understanding with India on defence co-operation. India, which already builds and operates the Mig 29, may help Malaysia establish its new fighter force. McDonnell Douglas and General Dynamics have countered



Rutskoi: big gun

by offering what are said to be considerably reduced sale prices for their fighters. A US delegation was here last month in an effort to thwart the Russian bid.

Initially the Malaysian air force is expected to buy between 18 and 20 fighters, with options on 40 more. Russia is also believed to be offering to sell Malaysia a number of its large Mig 35 helicopter gunships and a variety of other weaponry.

The Russians say the Migs can be delivered within six months. US manufacturers are likely to take considerably longer. Russia is also reported to be willing to accept some form of barter payment from Malaysia for a portion of the sale — possibly palm oil.

Military analysts say that by buying the Migs Malaysia would upset a growing trend towards air force co-operation inside the Association of South East Asian Nations (Asean). Other Asean air forces have western equipment. If Malaysia does buy Migs it will be the first big arms sale by Russia in the Asean region.

Indonesia, the Philippines and Burma are all at present being courted by Russia's arms dealers. Earlier this year Indonesia announced plans to buy 39 vessels belonging to the former East German navy, all made in what was the Soviet Union.

US longer in Somalia

US forces may have to stay in Somalia in large numbers for another two months before the United Nations takes command of military operations, the US military said yesterday. Reuter reports from Mogadishu.

The process could take even longer if the UN Security Council does not pass a resolution setting up a peacekeeping force for Somalia this week, Colonel Fred Peck said.

The US, which has just over

15,000 troops in Somalia, plans to contribute 5,000 to the new UN force which will take over the task of protecting relief supplies, disarming militias and encouraging reconciliation.

Mr Robert Oakley, US special envoy to Somalia, declined to predict how long it would take to complete the process of transition from Unifac to Unosom 2, the slightly smaller UN force that will take over.

Relations between UK and Iran dip further

By Roger Matthews,
Middle East Editor

THE sharp deterioration in diplomatic relations between Iran and Britain, caused mainly by the row over the author Mr Salman Rushdie, is threatening to spill over into the commercial field.

The decision by Iran this week to begin charging \$204 for visas for UK businessmen visiting Tehran is posing doubts over future trade missions, while the latest British restrictions on the export of sensitive material may spark further Iranian retaliation.

Mr Gholamreza Ansari, the Iranian chargé d'affaires, was called to the

Foreign Office yesterday to be told that the Department of Trade and Industry would not approve licences for items on international lists of banned military or atomic energy equipment.

Iran has strenuously denied accusations that it is seeking to build nuclear weapons, but admits it would like to acquire nuclear technology for civil purposes. It also claims its military re-equipment is much smaller than other countries in the region.

The Iranian embassy in London said yesterday the decision to charge \$204 for a visa, as against the \$14 levied previously, was direct retaliation for a similar rise in charges made by Britain last year.

British officials insist however that the \$20 charged for a visa in Tehran is in line with other European countries. The change made by Britain was to calculate the visa charge at the free market rate of exchange, instead of the old official rate. This meant that in terms of Iranian rials the cost went up from \$1,200 to \$20,000. A central economic reform instigated by President Ali Khamenei has been to move more of Iran's foreign transactions on to the free market rate of exchange.

An Iranian official said the new charge would apply to everyone applying for a visa in London, but there might eventually be exceptions. The decision is causing the London

of Chamber of Commerce to reconsider a trade mission to Iran planned for May. Some 15 companies have signed up for the trip with another 25 registered as possible participants.

In January, the Energy Industries Council was forced to abandon a similar mission to Iran when approval for visas failed to materialise.

UK and Iranian officials say the row over visa charges is distinct from the clash over the death penalty passed by Iran on Mr Salman Rushdie over the publication of his book *The Satanic Verses*.

The British government's decision to give greater publicity to Mr Rushdie's plight has clearly angered the Iranians. In the past fortnight, Ayatollah Ali Sayed Khamenei, Iran's spiritual leader, has thrown his weight behind the fatwa, or religious ruling, against Mr Rushdie and this ruling was later supported by the Iranian parliament. The issue will be given further prominence when Mr John Major, the UK prime minister, carries out his promise to meet Mr Rushdie.

Iran has been an increasingly attractive market for Britain, with exports up by 20 per cent to \$340m (£577m) in the first nine months of last year. But with Iran falling further behind in paying letters of credit and oil revenues static, ministers in Tehran have warned of a cut of up to 50 per cent in imports for the financial year beginning March 21.

Floating rupee rises in forex market

By Stefan Wagstyl
in New Delhi

THE flotation of India's rupee, announced in the annual budget at the weekend, got off to a smooth start yesterday, with the currency rising modestly against the US dollar.

The rupee closed at Rs31.85 to the dollar yesterday, compared with Rs32.78 at the opening and Rs33.58 at the end of trading last Friday, the last day before Mr Manmohan Singh, the finance minister, disclosed his plan to float the currency.

The government has abolished the former two-tier exchange rate in which exporters and other earners of foreign exchange were obliged to change part of their funds into rupees at a low official rate.

This low-cost foreign currency was used by the government to import oil and other commodities.

In place of the two-tier sys-

tem, the rupee has been made fully convertible on the trade account, though numerous restrictions remain on Indians acquiring currency for other purposes.

Dealers in Bombay said trading was quiet yesterday with the Indian Oil Corporation, the state-owned oil company and a major importer, staying out of the market.

It was "a very smooth transition," said a dealer at the Bank of Baroda, an Indian bank, and quite unlike the hectic trading which prevailed when the two-tier rate system was introduced only a year ago.

Meanwhile, in the stock market, shares continued their post-budget decline with the Bombay stock market's leading share index falling 27.36 to 2,543.82.

However, stocks closed well above the day's low of 2,494.52, indicating that the sharp correction may be over.

Ghost of bureaucracy haunts Indian trade liberalisation

By Michael Cassell,
Business Correspondent

"IT IS one thing for the Indian government to talk about trade liberalisation and opening up its markets to foreign competition. Let's hope their customs officers get the same message."

The note of scepticism, given in response to last weekend's budget package from Mr Manmohan Singh, India's finance minister, came yesterday from the chief executive of a Yorkshire-based textile company with years of experience of trying to sell in India.

The unnamed businessman, anxious not to offend, said experience demonstrated that central government initiatives did not necessarily have much relevance to those trying to win business on the ground in India.

"Unless the message that the rules are changing permeates

right down through India's bureaucracy," he added, "no end of budget initiatives intended to boost trade will be of any use."

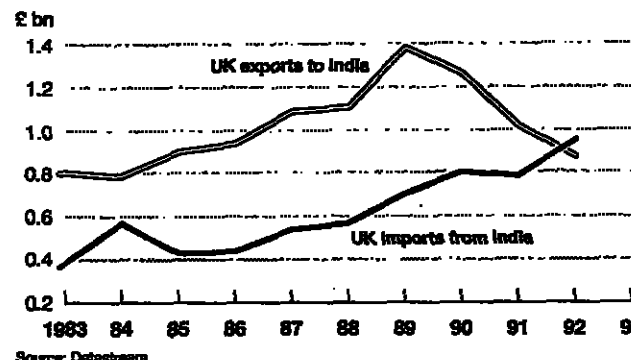
Despite such reservations, India's decision to go for expansion, float the rupee and slash import duties, the budget has been well received in the UK.

There is plenty of business at stake. Figures just compiled by the Department of Trade and Industry show that Britain sold \$945.5m worth of goods to India in 1992, including industrial machinery, power generating equipment, organic chemicals, metals, scientific instruments and transport equipment.

In return, India exported to the UK products worth \$282m during 1992, including yarns, textiles, finished clothing, footwear, tea, cocoa and animal feedstuffs.

Following the delegation of UK businessmen to India in

UK: Indian trade



Source: Oxfam

January, led by Mr John Major, the prime minister, expectations are high that trade in both directions can expand significantly.

The visit resulted in the creation of the Indo-British Partnership Initiative, which is intended to foster political and business links between the two

countries.

Mr Robert Evans, the chairman of British Gas, who is leading the new organisation, welcomed the budget.

He said the measures would advance the considerable potential for trade with India and provide a "kick start" to the new initiative which fol-

lowed the January visit.

British Gas itself is anxious to expand business in India. The company has just overcome competition from Europe and Asia to win exclusive rights from the Gas Authority of India to establish a \$350m natural gas supply system in Bombay.

A spokesman said India's further consolidation of liberalisation reforms should further help business prospects.

The power generation sector also gave a warm welcome to the budget measures. Mr Graham Hadley, a director of National Power, said he was encouraged by the specific budget references to the power industry, which reflected the government's acknowledgement of the sector's role in the country's economic development.

He took a "bullish" view of the proposals and added: "The package offers further evidence

the Indian government takes seriously the need to change the rules to attract inward investment, particularly for capital intensive and infrastructure projects."

Unilever, the Anglo-Dutch conglomerate which already has extensive food, tea and personal product businesses in India, said the budget offered "very positive vibes" for future business.

The government, a spokesman said, was "clearly on the road" towards further liberalisation and the encouragement of a growth in trade.

Companies such as GEC-Alsthom, the Anglo-French engineering group which has recently won a £140m high-voltage converter station to link regions of the country's electricity system, are also keen to develop new markets in India and will welcome measures intended to make access easier.

Jobless rate in Japan falls to 2.3%

By Charles Leadbeater
in Tokyo

JAPAN'S unemployment rate unexpectedly fell in January to 2.3 per cent, although government economists cautioned that the fall was likely to be temporary.

The Management and Co-ordination Agency said yesterday the seasonally adjusted unemployment rate in January fell from 2.4 per cent in December. The fall largely reflects a strong growth in employment in the construction sector which is enjoying a surge in orders from public works programmes.

The main federation of con-

struction contractors yesterday announced an 8.6 per cent increase in orders in January compared with last year, the first rise in order intake for 10 months.

It is likely, however, that unemployment will grow over the next few months as manufacturers attack their costs by laying off workers.

In the past two weeks leading employers such as Nissan, the carmaker, and NTT and KDD, the telecommunications groups, have announced plans for sweeping job reduction programmes.

Toyo, the textiles company, yesterday announced it was suspending production at

10 of its factories for between four and eight days this month to help reduce production by 20 per cent. About 3,000 factory workers will be paid to stay at home during the shutdowns.

The aggregate employment figures disguise subtle shifts in the character of the workforce which are helping to restrain the growth in officially recorded unemployment.

The ratio of job offers to applications rose from 0.92 in December to 0.93 in January, which means there were 93 job offers for every 100 people looking for work.

The improvement in the ratio was mainly caused by a sharp drop in the number of

people looking for jobs, which fell by 3.1 per cent between December and January as many women withdrew from the workforce. Manufacturers, in particular, are cutting deeply into recruitment with a 28 per cent fall in job offers.

Employment rose by 0.5 per cent, the smallest increase since 1987, with a 6.3 per cent increase in construction employment and a 1.5 per cent rise in the service sector offset by a 1.5 per cent fall in manufacturing.

A substantial part of the rise in service sector employment is accounted for by a growth in part-time jobs at the expense of full-time jobs.

Clinton urged to step up pressure against China

By Tony Walker in Beijing

A New York-based human rights organisation has urged the new US administration to increase diplomatic and economic pressure on China to bring about political change.

Asia Watch, a division of Human Rights Watch, said that President Bill Clinton should ensure that "clear and verifiable human rights conditions" be attached to any renewal of China's most Favoured Nation trading status.

In a report, titled "Economic Reform/Political Repression", Asia Watch denounced China's

attempts to present a more benign face to the world, saying there was little sign of genuine political liberalisation to match economic reforms.

In spite of China's "smile offensive" thousands of pro-democracy activists remained in prison and political opposition to the Communist party was heavily repressed, the report said.

Congress requires the president to decide annually whether China's human rights record warrants continuation of MFN. Mr Bush continued to approve MFN, arguing this would strengthen reform elements in China.

Tunisia takes economic success to N Africa

IN sharp contrast to its neighbours, Tunisia has quietly and steadily pulled off an economic turnaround in the last six years.

But as it completes the first phase of reform, aimed at curbing the country's serious economic imbalances, the Tunisian government faces real obstacles to further adjustment. Stabilisation policies are now giving way to a dismantling of the command economy, and with liberalisation is coming resistance.

Strict austerity since 1986 has brought the budget deficit down from 6.7 per cent of GDP in 1984 to 2 per cent last year, while inflation is down to 6 per cent from a high of more than 10 per cent. Subsidies on food staples and agricultural products have been cut from 3 per cent of GDP to 2 per cent over the last six years, with remaining subsidies now targeted at poorer Tunisians.

Meanwhile, economic growth has averaged 6.6 per cent over the past three years, more than three times the rate of population growth.

But, as Mr Aziz Krichen, a Tunisian academic, argues in "The Bourguiba Syndrome", the real battle to modern-

ise Tunisian society is now being fought in the economic sphere.

Reforms to date have been backed by a steady flow of World Bank loans, worth \$400m (£281.6m) last year and \$300m in 1993, and have been helped by the country's political stability, which has survived the upsurge in Islamic fundamentalist tensions since Mr Zine El Abidine Ben Ali succeeded

But President Ben Ali faces a demanding test of his skills, writes Francis Ghilès

Mr Habib Bourguiba as president in November 1987.

Foreign currency restrictions have been lifted, foreign investors no longer require prior agreement from the central bank to repatriate their capital investments or remit profits, and Tunisians have seen their foreign currency allowances doubled.

Vested interests in the civil service and industry are now to be challenged by reforms aimed at raising industrial productivity, enforcing quality control and boosting exports.

Together with the potentially desta-

bilitating impact of religious extremism in the region, the new phase of reform amounts to the most demanding test of President Ben Ali's skills since he took office nearly five years ago.

One of the main obstacles to reform is a banking system which bears all the hallmarks of a command economy: it is overstaffed, has accumulated many bad loans and is often run

by former hierarchs of the Central Bank who have little understanding of the needs of the economy. Recent economic news has been good. Hard currency receipts from over 3m tourists were worth close to \$1.1bn last year, an increase of more than 50 per cent on the 1991 figure, as the country attracted Europeans who, in more settled times, travelled to Yugoslavia. Three good harvests have also played their part.

But ministers are concerned about the growing trade deficit, which is estimated to have increased last year

from TD1.35bn to TD1.65bn. Imports rose faster than expected as Tunisian businessmen took advantage of more liberal import policy — with 85 per cent of imports now free of duties. Simultaneously, export growth slackened, although some factors such as the Mediterranean glut of olive oil, of which Tunisia is a major exporter, are temporary. Others are more structural. Demand in the EC, Tunisia's principle market, has weakened, most notably for leather and textiles.

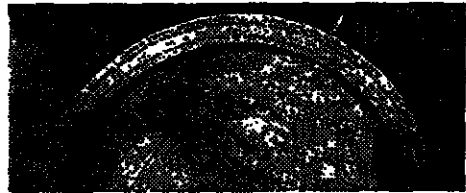
Younger Tunisians are pushing the government to become more accountable and to stop changing rules abruptly and without explanation, while managers are seeking greater freedom. These reformists do not hide their resentment at what they consider the arbitrary methods of customs and tax officials, who one respected Tunisian businessman bemoans as having "the mentality of the tax inspector who believes every private investor is out to defraud the state".

Such attitudes, they argue, act as a brake on investment, particularly at a time when domestic interest rates stand at 15 per cent.

Overall, however, investment is increasing, from TD2.7bn in 1990 to TD3.46bn last year. TD3.3bn of which is domestic. With public investment reigned in by government efforts to cut budget and public company deficits, private investment, worth TD1.5bn last year has now overtaken the contribution made from public funds. Foreign investment has not grown overall, the bulk of it going to the energy sector but the volume of funds going into manufacturing has surged from TD25m in 1988 to TD52 last year. Well known international names such as Alcatel, Siemens, BASF, Ericsson, Goldstar and Sony are now manufacturing in Tunisia. The US corporate presence has traditionally focused on the oil sector, but Sara Lee in the textile sector and AT&T in telecommunications are now considering setting up in Tunisia, where labour costs are, on average, one quarter of those in the EC.

Creating new jobs is now vital for both economic and political reasons as unemployment remains fertile breeding ground for religious fundamentalism.

THE ROTHSCHILD INTERNATIONAL MONEY FUNDS



Investing in currency — worldwide

- With assets of over US\$1.4 billion in our International Money Funds, corporate and private financial advisers recommend them with confidence. As a world leader in the management of international currency funds, Rothschild offers:
 - Deposits with banks of high credit-worthiness.
 - Wholesale market rates of interest without deduction of tax.
 - Eighteen different currencies to choose from.
 - Easy acquisition and switching of currencies, free of charges.
 - Discretionary investment management services if required.

For more information on The Rothschild International Money Funds, mail the form or call us on +44 481 713713.

To: Investment Marketing Department, Rothschild Asset Management, (City) 100 Broad Street, 2nd Floor, St. Augustine Court, St. Peter's Church, City, London EC4A 3DF.

Name _____
Address _____
AFT 930301

ROTHSCHILD ASSET MANAGEMENT

The Rothschild Money Funds are Gateway A1 authorised and UK Recognised Collective Investment Schemes. The return on all currencies and the value of your investment will fluctuate in line with international interest and exchange rates.

ther

known as Iran's
has thrown his
Rashid and the
ed by the Iranian
sue will be given
ce when Mr John
minister, carries
met Mr Rashid,
an increasingly
for Britain, with
per cent to seven
st nine months of
a Iran taking fur-
ing letters of credi-
tation, ministers in
ed of a cut of up to
ports for the Bas-
Meydan

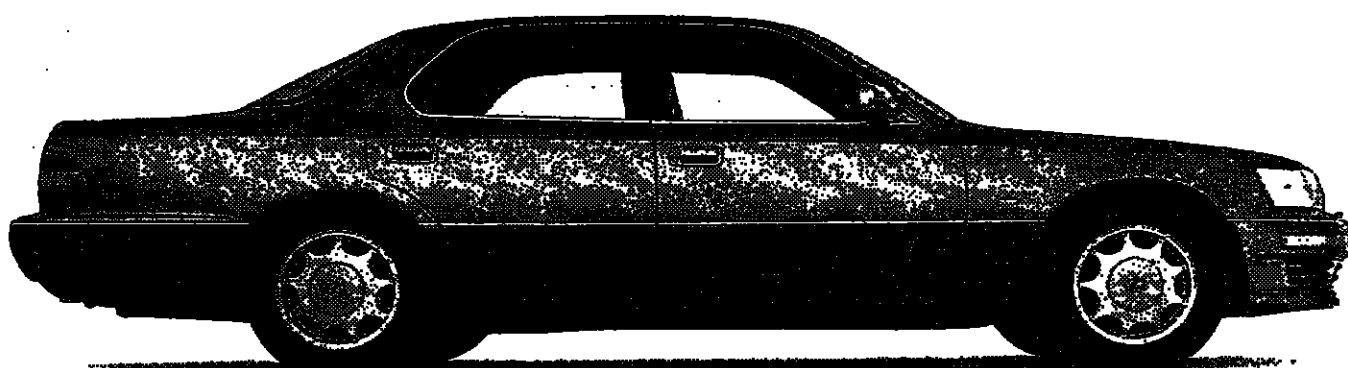


ation

ation

step up
China

frica



Critics described the original
Lexus as 'near perfect.'
Perhaps they'll be a little more
complimentary this time.

Faced with the first luxury car to have been built from scratch in decades, motoring journalists weren't lost for words. "Imagine a big saloon that is faster than a BMW 735i, quieter than a Jaguar Sovereign and as meticulously engineered as a Mercedes. The Lexus LS400 is all these things and more," was the way one journalist summed it up.

Its V8 engine, unusually economical for a luxury car, was also said to be "as silent as a Trappist monk, as smooth as a 40 year old malt and able to waft the big car past slower traffic like an invisible helping hand."

Perhaps as telling as any comment for a luxury car was the one which declared, "its smoothness and quietness impress most. No Rolls Royce I know can match it for mechanical refinement."

Then, in its first year, the Lexus was named Luxury Car of the Year by What Car?

Pleasing though this reception was, we didn't let it flatter us into a standstill. Instead, we immediately set about improving the Lexus.

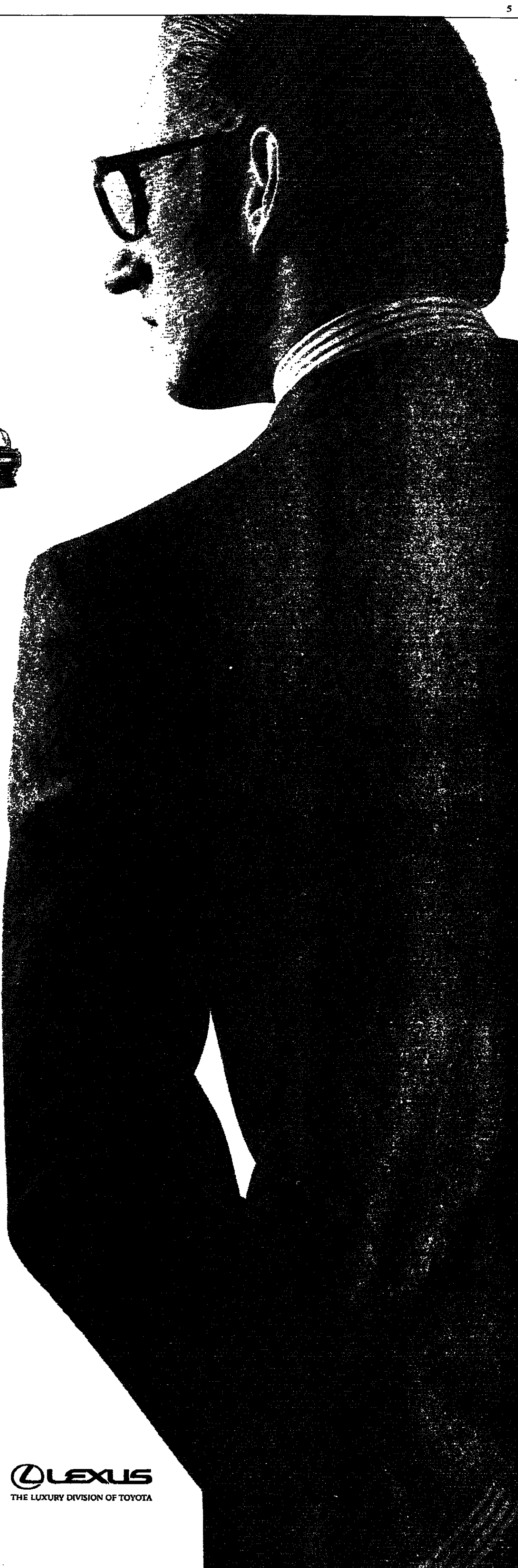
In fact, the 1993 LS400 has almost fifty refinements. Some, naturally, are subtle. A quieter boot lock and a light inside the seat belt buckle, for instance. Other refinements are more substantial. There are additional safety measures such as an airbag fitted as standard for both passenger and driver and seat belt pretensioning.

Engine modifications enhance the LS400's already impressive fuel consumption figures, now returning 35.3 mpg at 56 mph, making them the best in the category.

Only last November, What Car? named the Lexus LS400 their best luxury car again. Which is quite promising for the new model. They were still judging the original.

Now you can enjoy the 1993 Lexus LS400 yourself. To arrange a test drive call **Freefone Lexus**. We invite you to be as critical as you like.

LEXUS
THE LUXURY DIVISION OF TOYOTA



NEWS: THE AMERICAS

Little opposition to economic proposals on Capitol Hill

Republicans ponder Clinton plan

By George Graham
in Washington

PRESIDENT Bill Clinton yesterday embarked on 2½ hours of meetings with his Republican opponents on Capitol Hill. Give the extent to which they have attacked his economic plan for raising taxes too much and cutting spending too little, the visit might seem a foolhardy running of the gauntlet.

However, the Republicans have had so little success in agreeing on a strategy to counter the Clinton plan that the president seemed likely to emerge unscathed.

Senator Robert Dole, the Republican leader in the Senate, said he and his colleagues had no plans to insult or criticize the president, but were reluctant to offer specific proposals for amending Mr Clinton's plan unless they received some assurance that they would be considered seriously.

"If we come up with some alternatives, will he seriously negotiate those, or are we just playing games?" Mr Dole asked yesterday morning.

Ms Dee Dee Myers, the White House press secretary, responded that Mr Clinton would be more than happy to entertain specific ideas from the Republicans for spending cuts.

"There's obviously some philosophical disagreement between the president and the Republican leaders. That doesn't mean he is not willing

to listen to their specific suggestions to add additional spending cuts or make the plan better," she said.

The White House has so far concentrated on ensuring a reasonable degree of party loyalty among Mr Clinton's Democratic supporters, who hold majorities in both the House and the Senate. This is likely to be enough, at least to secure an early budget resolution containing the broad outlines of Mr Clinton's plan.

Mr Robert Michel, the Republican leader in the House, concedes that he will

probably not be able to win over enough Democrats to block passage.

But when Congress starts to consider the plan in detail this summer, Mr Clinton may need Republican votes to counter Democratic defections, particularly to ensure the survival of cuts in agricultural subsidies that are popular with many rural congressmen.

The Republicans, however, remain deeply split over how to react to the Clinton plan.

This split is partly over tactics, between those who believe that their job is to ensure that

the Clinton plan passes in a form that is as unobjectionable as possible, and those who argue that the task of the opposition is to oppose.

But it is also over ideology - between the traditional deficit hawks, who want to concentrate on proposing deeper spending cuts than Mr Clinton has included, and the supply side idealists, who insist that cutting taxes is the only answer.

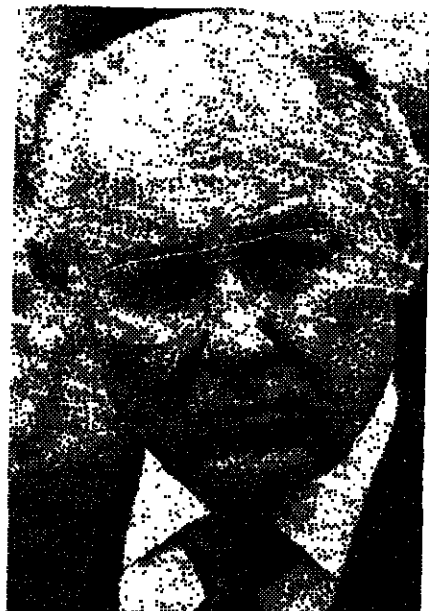
If they cannot come up with a persuasive response, they could be outflanked by public support for Mr Clinton's pro-

posals, which have won the approval of 59 per cent of those questioned last week for a Washington Post-ABC News poll.

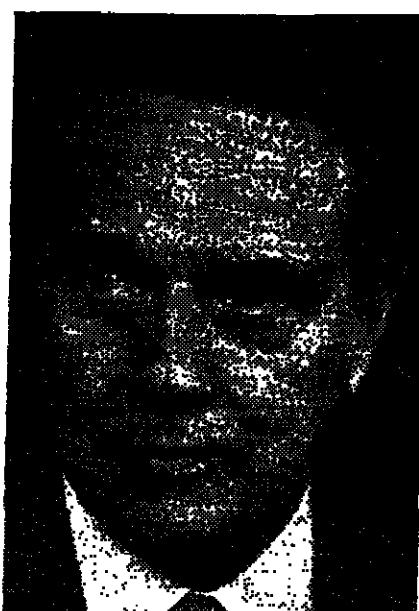
Most of those questioned said the Clinton plan would hurt them personally, but 62 per cent believed, nevertheless, that it would help the economy. And although more than two thirds felt Mr Clinton was not doing enough to cut the deficit or reduce government spending, a majority also wanted him to go further in taxing the rich and stimulating the economy.



Clinton: emerging unscathed



Michel: unlikely to succeed



Dole: no plans for insults

US new home sales decline by 13.8%

By Michael Prowse
in Washington

US SALES of new homes plunged 13.8 per cent between December and January, but the figures may have been distorted by bad weather, Commerce Department figures indicated yesterday.

The official index of leading indicators - a guide to future economic developments - stagnated in January, a setback after big increases in preceding months.

Analysts said the reports confirmed other recent data suggesting the pace of economic growth had slowed from an annual rate of nearly 5 per cent in the final quarter of last year to an annual rate of perhaps 3 per cent.

Some forecasters, however, are growing more bearish. Mr Allen Sinai, chief economist at The Boston Group, an economic consultancy, said economic growth might dip to an annual rate of only 1.2 per cent in the current quarter,

raising doubts about whether or not the upturn can be sustained.

The drop in new home sales to a seasonally adjusted annual rate of 561,000 in January was the steepest in 11 years and left sales at their lowest level in eight months. Sales were 17 per cent lower than in January last year, a strong month for the housing market.

However, most of the decline occurred in the north-east and west, regions affected by bad weather conditions. Sales in

the south were unchanged and sales in the Midwest dipped only modestly.

Sharp falls in mortgage rates and a recent decline in the "affordability index" - the ratio of house prices to incomes - are widely expected to underpin the market this year.

Mr Bruce Steinberg, senior economist at Merrill Lynch, the Wall Street brokerage, predicted "very robust growth" in the home-building sector" later this year.

The index of leading indicators rose 0.1 per cent in January after robust increases of 0.7 per cent and 1.7 per cent in November and December.

Components of the leading index moved in opposite directions, with five indicators signalling expansion and six contraction.

The positive indicators included a rise in unfilled orders for manufactured goods, higher prices for sensitive materials and a longer average working week.

Mexican air traffic control deal upheld

FIVE multinational companies which protested at the award of a \$21m (£15m) contract to install a new air-traffic control system in Mexico have lost their battle to have the contract overturned.

Mexico's government watchdog announced last month that it had found no irregularities in the contract tender and rejected the complaints.

The five - IBM Air Traffic Control, Calmaquip of Miami, Raytheon's Canadian subsidiary, Siemens Plessey Electronic Systems and Nissio Iwai - had complained that an initial tender offer for the contract was unjustifiably cancelled by the Mexican Ministry of Transport and Communications. It said none of the bids complied with the contract requirements, a statement contradicted by each company.

Mr Kaveh Moussavi, an agent then acting for IBM, further claimed that three men, whom he took to be government officials, asked him for \$1m to secure the contract. He refused to pay and 10 days later the tender offer was cancelled.

Mexico's General Comptroller of the Federation investigated the complaints lodged by the five companies for several weeks before concluding that the contract was justifiably awarded to Thomson of France and Alenia of Italy in a second tender.

In supporting its case, the comptroller showed excerpts

Foreign bidders are unhappy with ruling, report Damian Fraser and Stephen Fidler

from an independent report by the Canadian subsidiary of Martin Marietta of the US, which indicated where the losing companies had not complied with the original specifications in the first tender. The comptroller also said that it was unable to pursue Mr Moussavi's allegations, because he had offered no names or evidence of his encounter.

Mr Moussavi, however, says the government investigation into his claims was perfunctory. He was denounced on pro-government television and threatened with prison by the minister of transport and communications, actions which he said would deter future whistleblowers.

The investigation has been criticised by others. A foreign diplomat said that a "major weakness" in the government's investigation was that the comptroller was limited to looking at procedure and rules, and not at the quality of the different technologies.

Calmaquip maintains that it complied with the required specifications. Mr Armando Paz, its chief financial officer,

has demanded to see the background papers of the Martin Marietta report.

Complaints by foreign companies about the awarding of contracts are not rare in Mexico: the comptroller reports there were 400 last year, about 1 per cent of all government contracts.

The number of complaints may reflect in part differences in business practices in Mexico and the US. As the diplomat said: "In the US and Canada performance details [of the technology] are more significant than the absolute adherence to the letter of the contract. In Mexico any deviation from code, however unimportant, can lead to disqualification."

However, such deviations are sometimes overlooked if a company establishes good relations with those issuing a contract, according to a businessman representing a big British company in Mexico. "In Mexico, a decision is often based on who they know and trust, so good contacts can be invaluable."

"While I do not pay bribes, our Mexican agents can share their commissions," he said. He believed this was common practice.

Encouraged by the proposed North American Free Trade Agreement, more foreign companies are contemplating business in Mexico. The issues of transparency and accountability in the awarding of government contracts are not likely to go away.

NBC chief resigns over GM film

By Karen Zagor in New York

NBC News yesterday announced the resignation of its president, Mr Michael Gartner, in an attempt to limit damage to the news division of America's third-ranking television network from the rigging of a broadcast test of a General Motors truck last year.

Mr Gartner, president of the division since 1986, said he told NBC late last year of his plans to leave in August. He said he had hastened his departure announcement because of

recent controversies.

In November, NBC's Dateline current affairs programme aired pictures of a blazing GM truck without telling its 11m viewers that it had attached small incendiary devices to the truck to make it burst into flames during a collision.

In February, NBC issued an on-air apology to GM, America's biggest carmaker, after it launched a suit for defamation against the network. GM is struggling against bad publicity over the safety of its C/K pick-up trucks built between

1973 and 1987, which have been the subject of lawsuits and government investigations.

An internal investigation of the GM affair is expected to be completed this week. Mr Don Browne, NBC News executive vice-president, will assume Mr Gartner's responsibilities while the network searches for a successor.

This is not the only search going on at NBC. The network's parent, General Electric, is believed to be interested in selling NBC if it can get the right price.

Y DM Lit HK
Kcs \$ Fr G
£lr zX E° Fm

Political solution on exports 'now more likely'

EC and Japan fail to agree car quotas

By Michio Nakamoto
in Tokyo

THE EC and Japan failed to agree on quotas for Japanese car exports to the EC, after two days of negotiations which closed in Tokyo yesterday.

The failure to reach an agreement increases the possibility that the negotiations on whether Japan should reduce its car exports to the EC, and to what extent, might be settled by a "political" solution, according to an official of the EC Commission.

"There is a recognition on the two sides that 1993 will be a year of contraction of the EC automobile and light commercial vehicle market," Mr Robert Verrue, director in charge of the internal market and general affairs at the Commission, said in Tokyo yesterday.

The EC and Japan have agreed to monitor Japanese vehicle exports to the EC to pave the way for a smooth transition to unrestricted

exports by the year 2000. Until then a quota based on the outlook for the EC vehicle market would be used to restrict Japanese exports to the EC.

However, the two sides have not been able to agree on the outlook for demand in 1993. The EC has said demand in the European market would fall considerably from 1992, while Japan had, until recently, been forecasting that the EC market would expand in 1993.

Japan now accepts that demand will fall this year, but the EC, which in December had forecast a decline of about 2.8 per cent in registrations, now believes it will fall even further, by 4-6 per cent.

The EC's stance is that since market demand is falling Japan should share the burden of cutting supply by reducing the level of its exports from 1.19m units in 1992. "Otherwise we would fear that markets would be under strains and sometimes under excessive strains," Mr Verrue said.

There is disagreement, in particular, on the forecast for the German market, which because of its size would have a considerable impact on the overall quota.

The Commission was careful to emphasise that while it took into account all factors, including the level of Japanese local production in the EC, in arriving at a market forecast, the negotiations with Japan on a quota concerned Japanese exports alone and not cars made in the EC.

As a result of the failure of the talks, the two sides will meet again, possibly within the month, to continue their talks, but Mr Verrue emphasised that there was likely to be only one more meeting.

The state of the vehicle market in 1993 was expected to be so bad that unless agreement was reached "the way the burden would be shared... would in the end be subject to a political decision," Mr Verrue said.

Clinton goes quiet about minivans

Nancy Dunne on the campaign hit that was always out of tune

AS presidential candidate, Bill Clinton took a stand on minivans, attacking the "300m trade break" given to Japan in 1989, when the Bush administration declined to raise the US tariffs on minivans to 25 per cent.

Nowadays, Mr Clinton does not talk about minivans. The minivan controversy is not likely to appear on the list of American trade priorities, which is due to be released this week by the Office of the US Trade Representative. Nor did it receive a mention when the president gave what was billed as a definitive address on trade and international economics in Washington last Friday.

In fact, Mr Clinton could be in the process of backpedalling from his hawkish rhetoric on this particular issue.

During the campaign, Mr Clinton - intentionally or not - seemed badly briefed on minivans. He seemed convinced that the Bush administration had succumbed to lavishly-financed Japanese lobbyists and reclassified multi-purpose vehicles as cars, when they had always been trucks, in order to give the imports a lower tariff rate.

Although the reverse was closer to the truth, Candidate Clinton's tune played like a symphony in Detroit.

The US tariff on light trucks has been 25 per cent since 1964, when President Lyndon Johnson raised the duty in the infamous "chicken war" to punish West Germany. Later, when minivans and sport-utility vehicles became popular, it was debatable whether, in fact, they should be classified as cars - with a 2.5 per cent tariff - or trucks.

After much controversy, the US Treasury Department in 1989 ruled that two-door multi-purpose vehicles generally would be classified as trucks, because their principle purpose

could be described as the transport of goods.

Four-door multipurpose vehicles were classified as cars - as they had been previously - because they were clearly designed for transporting people, the Treasury said. Vans with side windows and rear seats to accommodate at least two people were deemed cars.

This decision raised - rather than lowered - the number of multipurpose vehicles which were classified as trucks, the Treasury said at the time.

In 1989, about 239,000 minivans and sport utility vehicles entered the US. About 44 per cent were classified as trucks and 56 per cent as cars. Under the new definitions, 62 per cent would have been classified as trucks and 38 per cent as cars.

As a result of the ruling, US manufacturers have been able to retain such a dominant

share of the market, that the US International Trade Commission found itself unable to sustain a finding of "injury" last year, when the domestic producers tried to raise the tariffs through a dumping action.

Having failed in that

quarter, Detroit tried to secure the entire market through legislation.

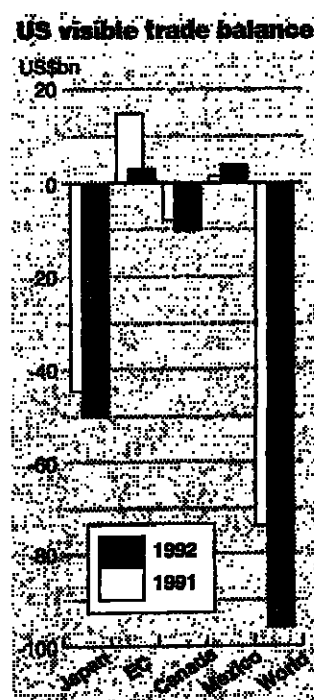
A bill to raise the tariff made it through the House, but was

stopped by the Senate Finance Committee, headed by the then

Senator Lloyd Bentsen.

Mr Bentsen is now the Treasury secretary, in charge of the Customs Service, which makes him a key player on this issue, as well as many others. Reportedly the Treasury has produced four options: doing nothing; raising all the tariffs for minivans and sports utility vehicles to 25 per cent; establishing a new tariff classification; or sending the whole matter back to Congress.

"It has been kicked down to working group level," said one



Source: Bureau of Economic Analysis

US 'in no hurry' over China talks

By Tony Walker in Beijing

CHINA and the US made some progress this week in talks on terms for China's entry to the General Agreement on Tariffs and Trade, but accord remains a "long way off," according to the chief US negotiator.

Mr Douglas Newkirk, assistant US trade representative for GATT, said after two days of talks that China had stepped back from previous understandings on entry terms for the world's fair trade regime.

Among these sticking points is China's apparent unwillingness to accept a safeguards system to prevent such developments as sudden surges in exports that might swamp the domestic markets of GATT signatories. China is also lukewarm about committing itself to a full market economy as an eventual goal.

Mr Newkirk said that before formal negotiations were suspended in 1989 - talks were frozen in protest at the army crackdown on pro-democracy activists - China had agreed to both the safeguards and market economy provisions. Discussions this week also

focused on US demands that China commit itself to a single national trade regime, full transparency in the publication of its trading regulations and the gradual elimination of non-tariff barriers.

Western officials say that China has made significant progress in liberalising trade policies, but much more needs to be done to improve market access for foreign business. They see the GATT negotiations as a useful device to push the Chinese to go further.

Mr Newkirk said the US was "not in any hurry" to conclude an agreement. "We're prepared to go as fast or as slow as they're prepared to go," he declared. The US made it clear that that unconditional Most Favoured Nation status for China was non-negotiable. The US government is obliged by Congress to review China's human rights record each year before granting MFN.

The US official's predictions of slow progress towards GATT accession for China are likely to disappoint and frustrate Chinese officials who had been predicting an early agreement.

Nissan to export Spanish 4WD vehicles to Japan

By Kevin Done, Motor Industry Correspondent, in Geneva

NISSAN, the Japanese car maker, is to start exporting vehicles from its Spanish plant in Barcelona to Japan next year with planned volumes of up to 12,000 a year.

Shipping four-wheel-drive (4WD) leisure/utility vehicles from Spain will be the second export programme from Europe to Asia for Nissan, which already exports up to 10,000 cars a year to Japan and Taiwan from its UK car plant in Sunderland.

Nissan said it planned to export 10,000 units of its new Spanish-built Terrano II four-wheel-drive vehicle to Japan in

1994, rising to 12,000 a year.

Nissan Motor Iberica, its majority-owned Spanish subsidiary, said yesterday that it had plunged into a loss of Ptas14.37bn (\$121.8m) last year in the midst of its ambitious expansion programme.

Mr Juan Echevarria, Nissan Motor Iberica executive chairman, warned that the company did not expect to return to profit before 1995.

Continuing losses and rising indebtedness, combined with the company's commitment to a heavy capital expenditure programme, are expected to force a capital restructuring.

Nissan Motor Iberica has spent more than Ptas100bn on capital spending and product development in the past two

years, however, to try to transform itself into a maker of vehicles for the European passenger car market based on its Serena people carrier and the Terrano II.

It said yesterday it still planned to increase total vehicle production to 135,000 in 1995 from 79,450 last year. Output of the Serena is planned to rise to 30,000 this year from 8,700 in 1992, and output of the Terrano II is expected to increase from 35,700 this year to more than 64,000 in 1994 including the exports to Japan.

Some 22,000 Terrano IIs will be supplied to Ford, the US vehicle maker, which will market the vehicle under the name Ford Maverick through its own European dealer network.

DATA NETWORKING SOLUTIONS

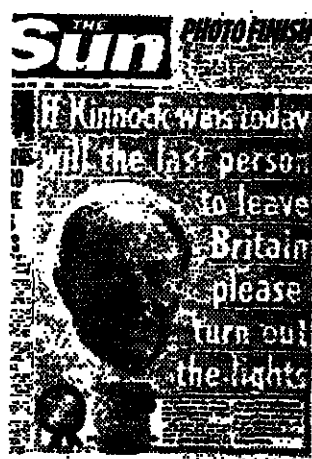
MONEY TALKS. NORTHERN TELECOM TRANSLATES.

One standard 90 percent of the world's leading financial institutions can bank on is a global data networking system developed by Northern Telecom, which flawlessly transfers and converts trillions of dollars annually.

Northern Telecom. Discovering and delivering the best solutions in voice, video & data communications systems worldwide.

nt northern telecom

NEWS: UK



The Sun on polling day

Tabloids flirt with Labour's favour

By Philip Stephens

IT'S THE Sun that won it, screamed the banner headline in Britain's best-selling down-market tabloid the day after Mr John Major's triumphant return to 10 Downing Street on April 10 last year.

The message was typically immodest but not unconvincing. The Sun had run a hopeless general election campaign.

The Sun had rescued them with its daily vilification of Mr Neil Kinnock's opposition Labour party.

How times change.

Earlier this week Mr Kelvin MacKenzie, the Sun's irrepressibly flamboyant editor, hosted an intimate dinner for a select group of senior politicians.

But the Sun is far from alone among the so-called Tory tabloids in its shift.

To the delight of Mr John Smith's team - and the fury of 10 Downing Street - a potent mix of genuine disenchantment and crude commercial judgment has created a new warmth between Labour and its erstwhile enemies.

The economic recession, the bitter Tory infighting over Maastricht, Mr Kinnock's departure and the readiness of those like Mr Blair to dump Labour's ideological baggage have all contributed to the shift. The country is disgruntled and no tabloid can afford to move too far out of step with its readership.

The trend has been reinforced by the increasingly fierce competition resulting from a shrinking market - and by the opportunities to pick up Labour readers offered by the Daily Mirror's recent public rift with Labour.

A glance at the reception given to Mr Smith's speech calling earlier this week for radical constitutional change tells the story.

The Daily Mail declared that Labour planned sweeping reforms of Britain's "crumbling" constitution. The Sun said he had dumped his party's "Big Brother" image. Today, another member of Mr Robert Murdoch's Wapping stable, dubbed him "Citizen Smith" for promising to put the individual before the state.

The change reflects an informal edict delivered by editors to their political journalists at Westminster: as long as the government is making a hash of things, the Labour party must be given a fair run.

Exasperation with the government if not outright support for Labour is reflected in the Sun's editorial columns: the tabloid declared that the only surprise of a recent poll was that as many as 20 per cent of people had expressed themselves content with the government.

There is an important caveat in all this. It is not uncommon for the tabloids to dilute their support for Tory governments between elections.

A lot can happen in the next four years. Few at Westminster believe that Mr Murdoch's papers would actively support Labour when it really counts. But in the meantime Mr Smith and his colleagues will enjoy Mr MacKenzie's claret instead of his more familiar vitriol.

Bank says ERM exit will not hit London

By Charles Leadbeater in Tokyo

BRITAIN'S departure from the European exchange rate mechanism will not damage the City of London's standing as an international financial centre, Mr Eddie George, the incoming governor of the Bank of England said yesterday.

Mr George, addressing executives from leading Japanese financial institutions in Tokyo, said doubts about the City's standing and the UK's commitment to European economic integration were misplaced.

Mr George, the central

bank's deputy governor, takes over from Sir Robin Leigh-Pemberton as governor in July.

Mr George was responding to Japanese concerns that their heavy manufacturing and financial investment in the UK might be damaged if sterling's exit from the ERM confined Britain to the sidelines of the European market.

He told a seminar organised by British Invisibles, the export promotion body for services, that London's position depended upon the completion of the single market rather than monetary integration.

Mr George said: "Monetary

integration is less critical than the single market to London's position which has not depended upon the currency in which business is conducted and has not depended upon the position of the national currency."

Even outside the ERM the Maastricht Treaty's convergence criteria for monetary union would still help to guide British policy. Mr George said that Britain would be as likely to satisfy the Maastricht convergence criteria as most other countries in the EC.

During a separate speech earlier yesterday, Mr George

said Britain is likely to face a sizeable underlying budget deficit even after its economy recovers from recession.

Mr George said the government would have to address the structural deficit. The only question was whether it did so immediately, with the economy still fragile, or waited until recovery was underway.

His remarks confirm the Bank's view that the government will have to embark on a sustained programme of fiscal consolidation even if recent cuts in interest rates and the depreciation of sterling spark a strong recovery. Mr George's

comments add weight to recent analysis by some City economists that suggest the UK faces a structural deficit.

In the first 10 months of this the current financial year, the budget deficit stood at £21.6bn, compared with a surplus of £14.7bn in the 1988-89 financial year. Some pessimistic City analysts believe the deficit could rise to more than 10 per cent of gross domestic production within five years.

Mr George said: "I suspect a substantial underlying deficit will emerge which the government will in time have to address."

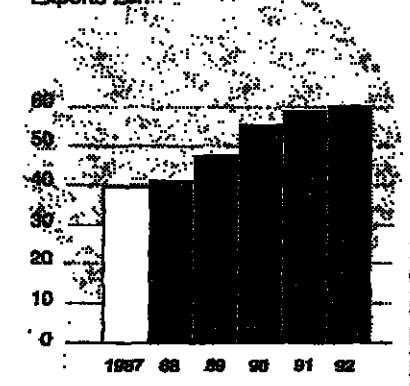
He said it was difficult to establish how much of Britain's growing budget deficit was due to the recession, which has pushed up social security and unemployment expenditures, and how much to a structural deterioration in the government's finances.

Mr George said Britain would start from a strong position with a relatively light rate of indebtedness as a proportion of gross domestic product, which meant it could be in a better position than most European countries to meet the convergence criteria for economic and monetary union.

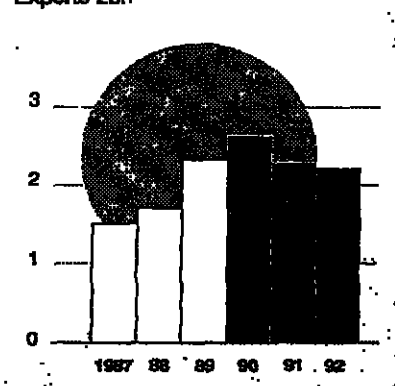
Export promotions: are they on target?

Main UK campaigns and trade performances

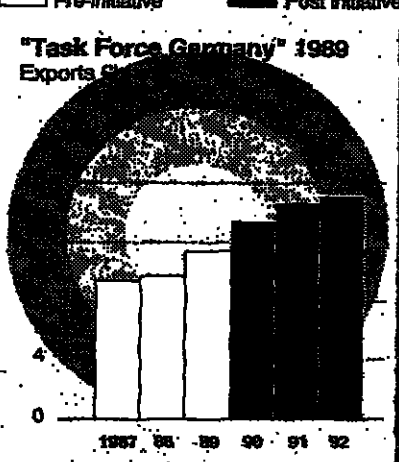
"Europe Open for Business" 1987 Exports £bn



"Priority Japan" 1989 Exports £bn



"Task Force Germany" 1989 Exports £bn



Other initiatives and their exports

Spain:	1991 "Spotlight Spain"	3.75	4.29	4.41
Kuwait:	1991 "Reconstructed Kuwait"	0.18	0.18	0.26
Venezuela:	1991 "Proyecto Venezuela"	0.21	0.17	0.19
TOTAL EXPORTS:		103.70	104.82	108.30

Source: CBI

'Disarray' hampers export efforts

ONE OF the UK's most

ambitious export promotion campaigns -

North America Now - will be launched tomorrow at a time of fierce debate over how governments should best help exporters.

The US campaign is expected to include initiatives to counter criticism that government efforts have targeted the "export-willing", but have been less successful in pin-pointing the "export-ready".

A major concern for the British government is that a few exporters account for a large proportion of exports - 50 companies are responsible for about 44 per cent of visible exports totalling £108m last year. As a result, export promotion is invariably targeted at smaller companies, often with limited success.

There is widespread concern that government efforts to aid exporters often miss the mark. The value of export promotion campaigns - such as those focused on Venezuela,

Spain and Kuwait over the past five years - has been queried, though export figures provide unclear evidence because they can be influenced by forces ranging from recession to currency fluctuations.

Mr Simon Sperry, chief executive of the London Chamber of Commerce says there is disarray on how export services are delivered, with too many agencies competing for funding.

At the Institute of Export, Mr Ian Campbell asks when organisations such as the Institute of Freight Forwarders, the CBI, Institute of Marketing, chambers of Commerce, and the Institute of Directors, last met jointly, or co-ordinated efforts. "We need a more co-operative corporate structure," he says.

Apart from concern that

there is too little money for export promotion, there is criticism about lack of continuity at the DTI, which has had 16 trade secretaries in 24 years.

Mr Michael Heseltine, the present trade secretary, and his deputy Mr Richard Needham, appear to have impressed industry with their early efforts to tailor government activities to exporters' needs. Many industrialists would say that this is long overdue in a country where exports account for 18 per cent of gross domestic product.

According to an senior CBI executive: "The fact that the government is now using the word 'strategy' is an important change from the past."

Mr Needham yesterday identified three prongs to his export promotion strategy: ● services to improve compet-

itiveness and exportability of British products, particularly in industrial markets;

● aid to the capital goods industry in developing country markets, with a target of raising capital goods exports from £100m in 1993 to £200m by 2000; ● protecting British trading interests in forums like the General Agreement on Tariffs and Trade (GATT), and in bilateral trade conflicts over products such as steel and cars.

His strategy is distinctive in its conviction that export promotion starts with private industry, and at the regional level. The government has made a strong effort to build into the North America Now campaign policies that meet industry complaints. Its details will be scrutinised with care - not just because the US is Britain's most important export market, but because it will provide clear evidence of whether Mr Heseltine is putting his own, more effective, stamp on Britain's export efforts.

Labour seeks details on regional plans

THE OPPOSITION Labour party is seeking details of the government's regional spending plans in a bid to highlight the potential losses if EC funds earmarked for deprived areas are blocked because of UK policy, David Gardner writes.

The opposition intends to demand details of government plans at the House of Com-

mons tomorrow, said Ms Harriet Harman, Labour's Treasury spokesperson.

Speaking in Brussels yesterday, Ms Harman said: "We want to measure [the Government's] allocation against the [EC] funds available."

Ms Harman was in Brussels for meetings with European Commission and Parliament

officials, including Mr Bruce Millan, commissioner for regional policy.

Mr Millan last week confirmed that the UK risked losing large sums of aid to depressed regions because it was not matching the EC allocations, as required by Community rules. Britain has yet to take up a

total of £1.23bn (£1.02bn) in its EC regional fund entitlement for areas in industrial decline for the 1989-93 period.

Ms Harman also wrote yesterday to Mr John Major, the prime minister, calling on him to take up an estimated extra £32m the UK should get from the EC Social Fund, as a result of the devaluation of sterling.

Half of all employers halt pension fund contributions

By Norma Cohen, Investments Correspondent

MORE THAN half of all British employers are now using pension fund surpluses to reduce or eliminate their contributions to employee pension schemes, according to an industry survey.

The National Association of Pension Funds, the industry trade association, found in its 1992 survey of pension schemes that 36 per cent of employers are making no contribution while another 16 per cent are making reduced contributions.

The figures show a rise from the previous survey in 1991 which found that 47 per cent of

schemes were on full or partial contributions holiday.

Mr Mike Brown, NAPP director of information, said the rise in contributions holidays shows the effects the recession is having on employers. "They would rather use the money to pay their suppliers and staff," he said.

The survey covered 852 NAPP members, covering roughly 40 per cent of all UK pension scheme members. The survey, meanwhile, noted one troubling trend for occupational pension schemes. Last year, 19 per cent of those eligible to join a scheme chose not to do so, up from 16 per cent the year before.

Auto parts business park to go ahead

By Paul Cheeseright, Midlands Correspondent

THE first business park in the UK dedicated to the manufacture of automotive components will be set up at Wednesbury, north west of Birmingham, on the sites of the former Patent Shaft steelworks and Moortown chemical works.

Black Country Development Corporation, which is responsible for the regeneration of 10 square miles of land in the area, yesterday said it has signed contracts with Kyle Stewart, the property and construction group, to develop 30 acres of land.

Mr David Morgan, develop-

ment corporation chief executive, said talks were at an advanced stage with the first two prospective tenants of the park. He said they were British subsidiaries of German and US groups.

The 250-acre park is aimed at exploiting the strengthening of the UK motor sector, with component manufacture expected to expand to serve new Honda, Nissan and Toyota plants. The park will be linked to the national motorway network by the Black Country spine road which will run between the M5 and the M6. Construction contracts for the road will be placed later this month.

Construction, however, of the spine road has been



delayed by escalating costs, and redevelopment of the land at Wednesbury - planned since the mid-1980s - has been thwarted by the collapse of the property market. It had origi-

nally been intended for a retail and leisure complex.

● Aston Martin, the sports car-maker owned by Ford, yesterday unveiled a new model intended to quadruple production to 800 cars a year in 1995. The company said the car - named the DB7 - would cost "less than £80,000", which is some £50,000 less than the cheapest of Aston Martin's current model range.

The DB7 designation is being revived for the first time in 20 years. It re-establishes a link with a long line of previous DB models, the most famous of which was almost certainly the DB4 which starred alongside Sean Connery in early "James Bond" films.

Britain in brief



Nissan to pay £6m to Nissan UK

Nissan, the Japanese motor manufacturer, has been ordered to pay £6m to Nissan UK, its former British importer, for not honouring an agreement to provide marketing support for sales of its range of Bluebird cars.

The £6m payment had been negotiated by Mr Octav Botnar, the chairman of Nissan UK, as an incentive for taking 12,700 of the cars in the six months before they went out of production in 1990, the Vice Chancellor, Sir Donald Nicholls, said in the High Court.

Nissan had denied such an agreement had ever been reached. However, Sir Donald ruled that an agreement had existed and that Nissan UK had performed its side of it.

Sales of new homes increase

Sales of new homes rose by more than a fifth during the first eight weeks of this year, according to Britain's 15 largest housebuilders.

The figures confirm the revival of activity in the housing market reported by builders, estate agents and building societies.

Elf begins court action

Elf Enterprise Caledonia, the oil company operator which took over the North Sea assets of Occidental, has begun a £10m court action to try to recover compensation paid out in the wake of the Piper Alpha platform disaster which claimed the lives of 167 men.

Council staff take pay cut

Nearly 20,000 Sheffield council workers have voted to take a 3.25 per cent pay cut to stop the city council making 1,400 of them redundant to balance next year's budget. The deal, which Sheffield's leaders believe is the first of its kind in Britain, will help the council get its budget below a £366m ceiling imposed by the government.

Abbey seeks own insurance

A broad shake-up in the housing insurance market was predicted after Abbey National, one of the biggest mortgage lenders, rejected insurance companies' attempts to set higher premiums to compensate for £2.5bn of losses. Abbey disclosed that it is trying to establish an insurance subsidiary to provide its own cover on mortgage repossessions. It emerged separately that at least 11 large mortgage lenders are considering a similar break with general insurers.

UK reserves fall by \$59m

Britain's gold and foreign currency reserves fell an underlying \$59m in February, the Treasury reported. The overall rise in reserves, however, was \$88m, boosted by extra borrowing. Most of the increase came from the proceeds of the fourth tender of three year European Currency Unit Treasury notes, which amounted to \$622m.

Car workers accept offer

Car workers at Peugeot Talbot in Coventry have voted overwhelmingly to accept company assurances on job security, ending the threat of industrial action at the company's main production plant.

High interest on your US-dollar investment!

The total investment per package is USD 175,000 of which your own deposit composes USD 25,000 that is topped up with a loan of USD 150,000. A 5-year bond investment package in US dollars and US dollar-related currencies.

A package that offers the possibility of optimal returns with a carefully spread risk factor. Portfolio and risk management handled by Jyske Bank experts through an investment trust. This 5-year accumu-

lating investment can be terminated on giving 30 days' notice, should the need arise. To receive a detailed prospectus on this innovative investment package, simply complete and return the coupon.

Please send me further information.

Name:

Address:

Postal code:

City:

Country:

JYSKE BANK

JYSKE BANK Private Banking (International) Vestergade 9, DK-1780 Copenhagen V. Tel.: +45 31 21 22 22 Fax: +45 31 21 42 15

As white-collar workers join the dole queue in growing numbers, FT writers look at ways of putting them back to work

Finding the right network

"UNTIL recently most managers believed that redundancy only happened to blue-collar workers in the north," says Nicholas Walters, senior staff tutor at the Guildford Institute of the University of Surrey. "Those who enjoyed the success and financial rewards of the enterprise culture are largely unprepared for the experience."

Unemployment in Walters' "patch" - the traditionally prosperous region of south-west Surrey - has risen by more than 320 per cent since March 1990. Many of the victims are executives.

Efforts to address their needs are being made through courses like the one at Guildford. Another source of support can be found in the informal networks of redundant executives springing up around the UK. Adult education centres, universities, citizens advice bureaux, churches and public libraries may also be able to provide the right introduction.

Executive unemployment is often masked by substantial redundancy payments. But Walters believes that the refinement of job-finding skills is particularly important. Structural changes in industry mean there will be fewer jobs when the economy improves than there were at the top of the last cycle.

Redundant executives are often well-qualified and have specialist skills, but Walters says it is important to look out for transferable expertise. Redundancy he adds, can be an opportunity to overcome technophobia and to improve language and personal financial management skills.

Philip Thomas, an out-of-work lawyer who recently completed a Guildford course, is a firm believer in unemployed executive networks and has just started one with fellow alumni. He thinks they can be a useful way of developing training, techniques and, ultimately, of tracking down jobs.

Tim Dickson

Down but certainly not out

Geoff Anison, manager of St Albans JobCentre in Hertfordshire, has recently recruited a new team to market unemployed professionals, managers and executives to local companies.

His JobCentre, serving what was once one of the busiest commuter towns in south-east England, estimates that 40 per cent of its claimants are professionals and executives. Last summer the figure was 30 per cent.

An unprecedented increase in executive, management and professional unemployment has been one of the most eye-catching features of the present recession.

A Department of Employment study of London and the south-east published last summer suggested 19 per cent of the unemployed had worked in professional or managerial occupations. Nationally the figure was estimated at just over 10 per cent. Levels have gone up since then.

A growing number of organisations, in addition to self-help organisations, are trying to rise to the need. They include:

● JobCentres. Judging by the four jobs on offer at the St Albans JobCentre, professionals and executives are not a natural target group. However, with tough targets from the government to get their clients into jobs, JobCentres are focusing on executives.

Amison, for example, has recruited seven new staff to service them. "Most employers do not naturally think of advertising for executives in a JobCentre, so we are having actively to tell them about our clients," he says.

● Training and Enterprise Councils. Several of the 82 Tecas in England and Wales are introducing imaginative new schemes, most of them built on Employment Training. This offers £10 per week on top of benefit and a placement with an employer. Vivien Houson, of Hitchin in Hertfordshire, is an enthusiastic participant. After a business grooming at Merrill Lynch she set up her own marketing and design company. It was forced to close last year after Houson had a serious accident.

Unemployed, she was referred to a new executive programme, designed by Hertfordshire Tec on the ET model. Called Management Link it offers three weeks' general management training before placement with a local employer. Houson's skills were matched by Enterprise Partnership, the training organisation, with a structural engineering company which had a project that it had not been able to develop.

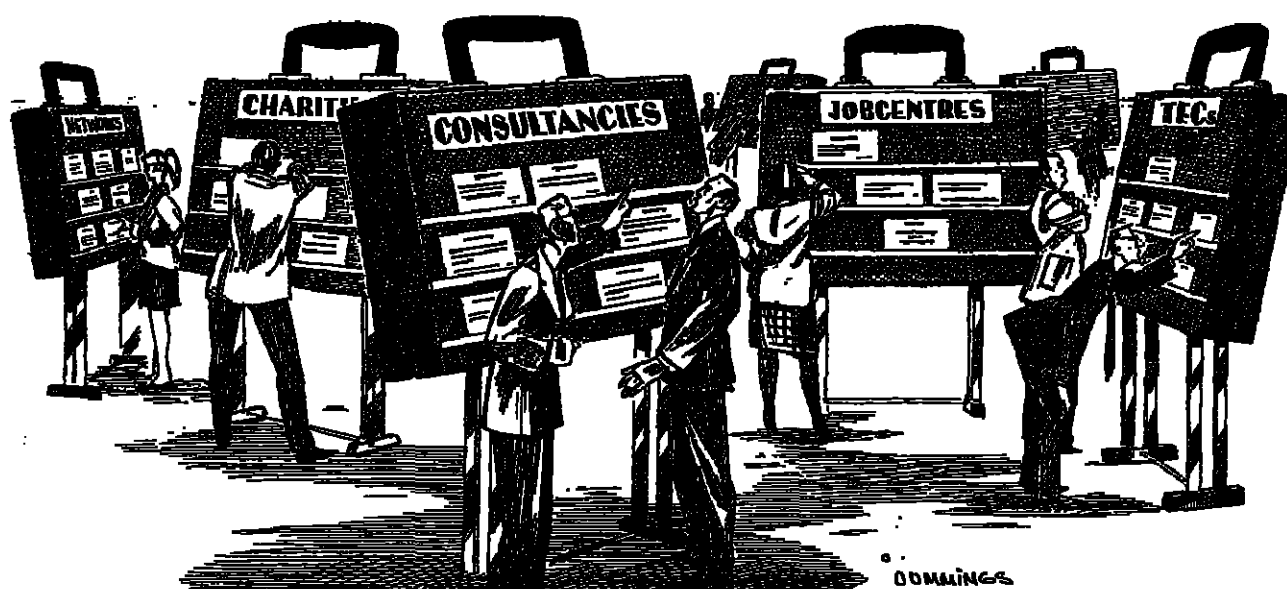
Thirteen weeks later she was offered a full-time post - of managing director of a new division which will exploit a new product she has developed within the company. "It was the

matching that was so crucial and so successful," says Houson.

● Individual consultancy. For an individual not receiving counselling as part of a severance package, it is possible to find a consultant from about £140 for a half day's session, according to the Institute of Personnel Management.

The two big dangers for individuals to avoid are wasting money on a cowboy consultant and wasting time approaching counsellors who are only interested in company assignments.

The IFM's consultancy service will help callers with both these problems by checking those on its register, noting callers' requirements and providing suitable names of consultants.



Albans JobCentre, professionals and executives are not a natural target group. However, with tough targets from the government to get their clients into jobs, JobCentres are focusing on executives.

Amison, for example, has recruited seven new staff to service them. "Most employers do not naturally think of advertising for executives in a JobCentre, so we are having actively to tell them about our clients," he says.

● Training and Enterprise Councils. Several of the 82 Tecas in England and Wales are introducing imaginative new schemes, most of them built on Employment Training. This offers £10 per week on top of benefit and a placement with an employer. Vivien Houson, of Hitchin in Hertfordshire, is an enthusiastic participant. After a business grooming at Merrill Lynch she set up her own marketing and design company. It was forced to close last year after Houson had a serious accident.

Unemployed, she was referred to a new executive programme, designed by Hertfordshire Tec on the ET model. Called Management Link it offers three weeks' general management training before placement with a local employer. Houson's skills were matched by Enterprise Partnership, the training organisation, with a structural engineering company which had a project that it had not been able to develop.

Thirteen weeks later she was offered a full-time post - of managing director of a new division which will exploit a new product she has developed within the company. "It was the

matching that was so crucial and so successful," says Houson.

● Individual consultancy. For an individual not receiving counselling as part of a severance package, it is possible to find a consultant from about £140 for a half day's session, according to the Institute of Personnel Management.

The two big dangers for individuals to avoid are wasting money on a cowboy consultant and wasting time approaching counsellors who are only interested in company assignments.

The IFM's consultancy service will help callers with both these problems by checking those on its register, noting callers' requirements and providing suitable names of consultants.

The IFM's consultancy service will help callers with both these problems by checking those on its register, noting callers' requirements and providing suitable names of consultants.

Getting back on course

NOT many people can claim to have been sacked twice by the same company. Peter Saunders, though, is one of them.

The axe first fell in 1982 when Saunders was pub information bureau manager at Whitbread London, one of the brewing group's operating subsidiaries.

Redundancy was mercifully short lived and his career seemed to be back on course with Berni Inns until 1990 when its then owner, Grand Metropolitan, sold the restaurant chain to Whitbread. Whitbread subsequently decided to run down the Berni brand, with the result that Saunders lost his job as marketing controller last year.

Not surprisingly, he has since opted for a complete change of direction and now runs a marketing consultancy, specialising in the food service field.

Saunders is hoping to capitalise on his commercial experience, but he has also used his periods of unemployment and two outplacement training courses to good effect. Conscious that only a lucky few like him are sponsored for career counselling by their employers, he has written and published a self-tuition manual called Successful Job Hunting.

Saunders' product has been vetted by a senior UK personnel expert (chosen by the FT). She describes it as "easy to follow and well cross-referenced. There is a strong personal touch. I wouldn't agree with everything in it but the important thing is it's positive."

She suggests the manual is most suitable for those up to and including middle managers and could be valuable for anyone who has been out of the employment market for a long time.

Saunders is offering the manual to FT readers at a special mail order price of £24.50.

Tim Dickson

*Available from 118 Eskdale Avenue, Chesham, Bucks HP5 3BD. Tel 0494-775387.

Lisa Wood
Diane Summers

*IFM, Tel 081 946 9100.
Executive Groupware, 19 Manor Way, London SE23 3DG, Tel 081 318 4462, publishes Executive Moves for more junior managers (£18.50 plus £3 p&p) and the Directory of Executive Recruitment Consultants (£50 plus £3.50 p&p) for senior executives.

Calling on volunteers

REDUNDANCY is a time for feeling sorry for yourself. Perhaps this state of mind helps explain why many redundant managers finish up feeling sorry for others as well, decide they want to "do something useful" with their lives and consider working for a charity.

There are other motivating factors. A redundancy payment might make it possible for a manager to take a lower-paid post. Although many big charities pay better than they once did, the voluntary sector does not generate lavish incomes.

Neither is it a soft option. Many charities are facing the same recessionary pressures as the private sector. Some are having to make staff redundant and those that are recruiting demand commitment and hard work. However, opportunities do exist. Around one-third of voluntary-sector managers are drawn from commercial organisations, so the right type of person will not find a culture of resistance to outside recruitment.

Who is the right type of person? The voluntary sector is not a quiet backwater - it turns over around 4 per cent of GDP. Big charities need much the same range of finance, marketing, personnel and other specialist skills as private companies.

But many have day-to-day contact with voluntary workers and are run in a more open, committee-structured way than commercial organisations. Managers who incline to a participative, decision-making style are more likely to settle into this atmosphere than those who draw comfort from giving and receiving orders.

Expertise in a charity's area of activities or previous involvement with the voluntary sector can help. For anyone contemplating an eventual career-switch to a charity, this can be gained from voluntary work. The Volunteer Centre UK* is a national charity that exists to promote volunteering.

Alan Pike

*Volunteer Centre UK, Tel 0442 373311

From hobby to career

MOST self-help manuals for the unemployed advise against developing an interest into a job.

But that is exactly what Peter Bradley, a former Bradford-based accountant and amateur bird watcher, has done. Today, aged 33, he is a warden, employed by the Royal Society for the Protection of Birds, at Surlingham and Rockland Reserves on the Norfolk Broads.

"Wonderful" is how he describes his new job. "I was always keen on natural history but my parents gave me presents like microscopes and chemistry sets," he says. "But at the age of 10 one of my favourite projects was how I

would design a zoo."

He embarked on a professional life and after completing his degree at Kent University spent six years as a part-qualified accountant before becoming unemployed. He then considered the different sorts of jobs he would like to explore. Working outdoors was top of the list.

"I was pulled in by the Job Centre and told that I was an accountant and that there were plenty of jobs in accountancy," he says. "But I persuaded them that what I really wanted to do was work in nature conservation."

He was successful in his plea and took up a training place in Snowdonia, Wales, on Employment Training, the government programme for the adult unemployed. "I had a fantastic year, learning things like building dry stone walls," he says.

The RSPB traditionally offers short-term contracts before promoting individuals to be wardens. Bradley took a number of these before gaining his present job.

He says if he had remained in accountancy he could be earning twice his current salary. But he has no regrets. "This is where the action is. We are turning 300 acres of derelict marshland back into a flower-rich reed fen."

Lisa Wood

PEOPLE

Lees to save domestic energy

Eoin Lees, head of the Energy Technology Support Unit at Harwell, the Atomic Energy Authority's research laboratories, has been appointed the first chief executive of the Energy Saving Trust.

Lees, 45, a nuclear physicist, has run ETSU for five of his 17 years at Harwell. ETSU, which carries out projects for industrial and business customers, has also worked recently for the Energy Efficiency Office, part of the environment department.

The Energy Saving Trust, which has been one of the main planks of the government's environmental policy, has been criticised for its slow start since Michael Howard, environment secretary, announced its creation last summer. Headed by Lord John Moore, the former cabinet minister, it is intended to encourage the gas and electricity utilities to help households save energy. But critics have been concerned that the utilities would be reluctant to back moves that could damage their revenue, and would seek to pass much of the costs on to customers.

However, Lees, who takes up his post on April 5, says: "I feel strongly that we can make a convincing case that the trust represents the first real chance to tackle the problems of energy inefficiency in the domestic sector."

Ambrose to mine cabinet efficiency

Less than three years ago 30-year-old David Ambrose was running one of Lord Hanson's quarries in the heart of Shropshire. Now he has been packed off to help Sir Peter Levene, the prime minister's adviser on efficiency, teach government departments how to get value for money from the resources they use.

Ambrose, who has a doctorate in mining engineering from Nottingham University, has been seconded for two years to the cabinet office's efficiency unit. He only joined Hanson in January 1991 but managed to catch the chairman's eye at an early stage in his career.

In 1991 Lord Hanson awarded him his annual Hanson Achiever Award as a result of his "superior management qualities and the considerable cost savings, productivity and



Lees has been criticised for its slow start since Michael Howard, environment secretary, announced its creation last summer.

improved efficiency he introduced".

Before his secondment he was development manager of ARC Central, part of Hanson's aggregates business.

Ambrose's secondment comes only a few weeks after Ian Stewart, a former chief executive of British Ever Ready before Hanson sold it, was seconded to the Department of Trade and Industry.

Finance moves

Lord Trenchard, president of KLEINWORT BENSON INTERNATIONAL Inc, who has already spent many years in Japan, is to return to Tokyo to become the group's senior representative there in May.

Jonathan Jamilly, Stephen Peters, Andrew Stockman and Nigel West have been appointed to the board of HILL SAMUEL BANK.

John Townsend, formerly managing partner of Johnson Capital Management, has been appointed international marketing director of GARTMORE.

Stuart Crocker has been appointed head of international private banking at the London branch of RABOBANK NEDERLAND; he moves from Banque Paribas.

Non-executive directors

David Roberts-Jones has resigned as non-executive director from ALLIANCE RESOURCES, the US-based oil and gas company which has been in administrative receivership since October. Roberts-Jones was the last director remaining from the original board which floated Alliance in 1991. John O'Brien, managing director of Manx Petroleum - which put Alliance into receivership - is chairman of Alliance. An attempt by fellow directors to unseat O'Brien failed last year.

John Adcock, former deputy senior UK partner of KPMG Peat Marwick, and Jack Mawley, a former director of Tarmac, at ALBRIGHTON, Peter Woodman, who had combined the role of chairman and chief executive, remains chief executive with Albrighton non-executive director Humphrey Wood becoming non-executive chairman.

John Kall, md of Templeman Corporate Services, at FREDERICK COOPER. He continues as company secretary, a role he has fulfilled in a non-executive capacity since 1986.

Stellios Papadopoulos, head of health care/life sciences investment banking group at PaineWebber in New York, and Louis Lavigne, chief financial officer at Genentech in San Francisco, at XENOVA GROUP.

Marshall Finance, the holding company for the management buy-out.

He says that he was invited to return full-time to Marshall's after it was decided to split Chris Kelson's role as chairman and chief executive. Knowles says that the buy-out has gone "very well" and the decision to split Kelson's dual function was merely a reflection of current trends in corporate governance.

Kelson remains chief executive and Tony Porter, head of Marshall's European division, has been appointed managing director.

Cater Allen Lloyd's

Edward Bloxham, 50, currently chief executive of REM Outwaite (Underwriting Agencies), is to take over as group chief executive of Cater Allen Lloyd's Holdings, which handles the group's Lloyd's agencies interests. Bloxham, a Yorkshireman, spent the early part of his career in the publishing industry. A certified accountant, he joined the Corporation of Lloyd's regulatory department in 1983; he took over as finance director of Outwaite in 1988, becoming chief executive in 1989.



Michael Jeffery (above), formerly md of The Nikko Bank, has been appointed a director of ROBERT FLEMING & Co.

Roy Degenhardt, formerly md European corporate finance at Continental Bank in London, and Thomas Lockett, formerly global foreign exchange director at Midland Bank, have been appointed managing directors at The NIKKO BANK (UK).

Susan Allen has been made a director of BARONSMEDAD.

Michael Jeffery (above), formerly md of The Nikko Bank, has been appointed a director of ROBERT FLEMING & Co.

SWANSEA BEST RESOURCE PACKAGE FOR BUSINESS

- ✓ Skilled Labour Force
- ✓ Grants and Loans
- ✓ Low Overhead Costs
- ✓ Excellent Communications
- ✓ Quality of Life
- ✓ Professional Help and Support for Business

Telephone or send for details:-

I am interested in existing and proposed:

- ☐ FOOD PARK
- ☐ HI-TEC PREMISES
- ☐ FACTORIES/WAREHOUSES
- ☐ OFFICES
- ☐ MARITIME UNITS

TO: MICHAEL BURNS, SWANSEA CENTRE FOR TRADE & INDUSTRY, SINGLETON STREET, SWANSEA SA1 3QH. TELEPHONE: (0792) 476666

NAME _____

COUNTRY _____

POSITION _____

ADDRESS _____

SWANSEA CENTRE FOR TRADE & INDUSTRY

THE OLYMPIC CONTENDERS: MANCHESTER

The FT Proposes to publish this survey

23RD JUNE 1993

The FT prints simultaneously in five centres: London, Paris, Frankfurt, New York and Tokyo and is circulated in 160 countries.

For a full editorial synopsis and details of available advertisement positions, please call:

Brian Heron
Tel: 061-834 9381 Fax: 061-832 9248
Alexandra Buildings, Queen Street, Manchester M2 5LF

A HEALTHY ENVIRONMENT

It's as important for your business as it is for you.

Damaging the environment is bad business. Your sales will suffer once customers are aware of it; and your bank doesn't like to see the asset value of your land and buildings collapsing.

You don't need us to tell you that you should do something. But what? Simple...

CALL IN THE RPS GROUP FOR AN ENVIRONMENTAL HEALTH CHECK

We are a quoted company with 25 years of environmental experience - and we appreciate the commercial pressures on you. Together we can discuss any problems you think you might have and decide which areas of your business need to be looked at. Then we give you an overview to help get you started.

It is a businesslike, constructive first step back to health - for the environment, for your business, for your assets.

Call our Managing Director, Dr Alan Hearn, on 0235 863206, or our Environmental Science Director, Dr Graham Parry, on 0244 313486. Or write to:

Dr Alan Hearn, RPS Group plc
85 Milton Park, Centurion Court
Abingdon, Oxfordshire OX14 4RY

RPS GROUP PLC THE ENVIRONMENTAL CONSULTANCY

Offices in: Belfast, Chester, Cork, Dublin, Durham, Edinburgh, Huddersfield, London, Oxford, Southampton.

Notice of Redemption To Bearer Holders of Aluminum Company of America

6% Convertible Subordinated Debentures due 2002

NOTICE IS HEREBY GIVEN that Aluminum Company of America (the "Company") pursuant to Articles One and Eleven of the Indenture dated as of May 27, 1987 (the "Indenture") between the Company and Indenture Trust Company, New York, New York, as Trustee, has elected to redeem all of its outstanding 6% Convertible Subordinated Debentures due 2002 (the "Securities") on March 20, 1993 (the "Redemption Date"). The Redemption Price will be 102% of the principal plus accrued interest to the Redemption Date for a total payment (including accrued interest and premium) of \$5,400.00 for each \$5,000 of principal amount. Interest on the Securities will cease to accrue on and after the Redemption Date.

In accordance with the terms of the Securities and the Indenture, at the option of the Holder, the Securities are convertible into fully paid and non-convertible shares of common stock of the Company ("Common Stock"). Holders who elect to convert their Securities will receive one share of Common Stock for each U.S. \$5,000 principal amount of Securities converted. This conversion right will terminate at the close of business on the Redemption Date. Notice of accrued interest not premium will be payable on any Security which is converted.

The place or places where the Securities together with all unmaturing coupons representing thereon, if any, are to be surrendered for payment of the Redemption Price and accrued interest, or may be surrendered for conversion are: in England, Bankers Trust Company, Corporate Trust and Agency Group, 1 Appold Street, Broadgate, London EC2A 4BE, England; in Switzerland: Credit Suisse, 8 Paradeplatz, 8001 Zurich, Switzerland; in Luxembourg: Banque Indosuez Luxembourg, 39 Avenue Scheffers, L-2220 Luxembourg; Luxembourg; in the Netherlands: ABN-Amro Bank, 1000 Amsterdam, The Netherlands.

Each Holder of the Securities is urged to consult his or her own tax advisor as to the particular tax consequences of the conversion or redemption to such Holder, including the applicability and effect of United States Federal, state, local and other tax laws.

Dated: February 24, 1993

By: Aluminum Company of America

BUSINESS AND THE ENVIRONMENT

Down in the Oriente, Ecuador's Amazon rainforest, US oilmen and local Indians have decided to put aside their differences and enter into a controversial partnership aimed at exploiting the environment without destroying it.

After years of intense battling between oil companies, conservationists, the Ecuadorian government and indigenous groups, Maxus Energy, a US oil company, has been given final authorisation to develop block 16, a 200,000-hectare government concession in the Oriente.

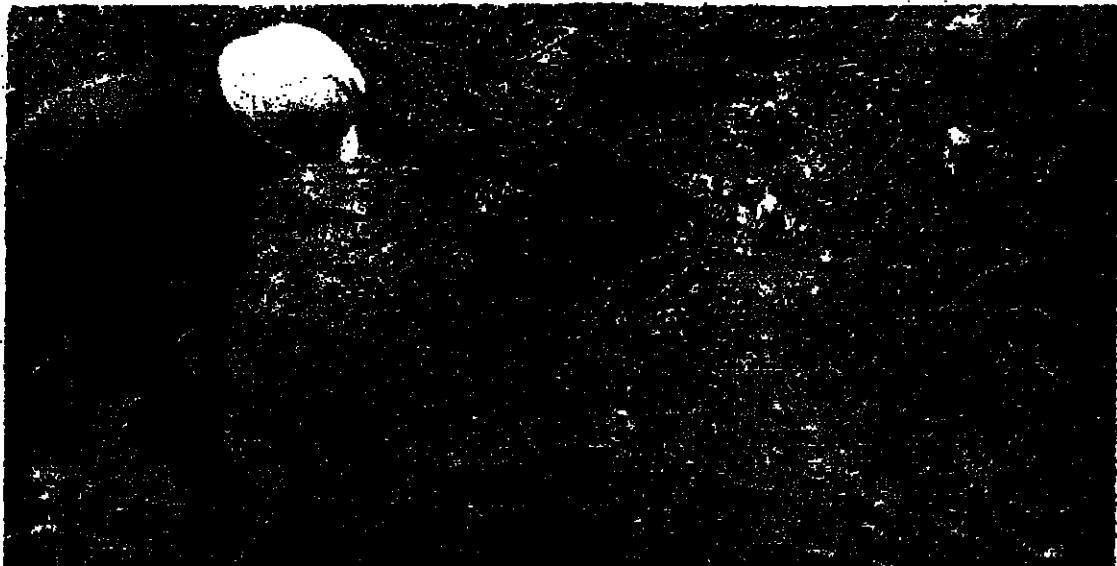
The reason for this controversy is that part of the Maxus concession lies in Yasuni national park, one of the most pristine and biologically diverse areas left in the Amazon forest. Also, block 16 is in the territory of the Huaorani Indians, one of the few tribes left in Amazonia living in relative seclusion from the industrialised world. The park has been declared an international biosphere reserve by Unesco.

The government's permission to build an access road and oil pipeline through the rainforest is part of a new policy which seeks to exploit natural resources even in protected areas, an activity permitted by Ecuadorian law. The authorisation was one of the last hurdles for the consortium headed by Dallas-based Maxus to overcome. Conoco, which originally headed the consortium and conducted exploratory work, abandoned the field last year because of government indecision, opposition by conservationists and fresh opportunities elsewhere.

One driving force behind the environmental lobby, besides the area's ecological and tribal importance, was the knowledge that oil companies operating in the Oriente had previously caused enormous destruction and distrust. A report co-authored by the National Resource Defence Council in Washington DC documented the extent of river and soil pollution, excess deforestation and catastrophic health effects on the indigenous people in the Oriente. According to government estimates, up to 4,200 gallons of oil per day are discharged into the environment, equalling 19m gallons in the past two decades.

Against this background and under the requirements of obligation by a new federal law on oil operations, Maxus proposed an environmental plan which it argued would minimise the negative impact on the environment and the local people and serve as a model project for rainforest areas.

By reducing the width of the access road from 100m to 25m, including a subterranean pipeline, and using more synthetic materials and fewer tree trunks for the road base, Maxus claims the usual deforestation rate for such roads has



Conservationists are trying to minimise the environmental impact of the oil operations by taking part in the pipeline project.

Exploiting the rainforest

Local Indians, oilmen and conservationists have formed an uneasy alliance in Ecuador, writes Raymond Collett

been reduced sharply. It plans to minimise deforestation further by using clustered well sites rather than having a separate site and road for each individual well. A reforestation project is under way - seedlings are being cultivated to replace the trees cut down.

A significant previous concern had been that oil companies moving into the Amazon forest opened the way for settlers, who multiplied the deforestation rate by slash-and-burn horticulture. Maxus plans to install guarded control posts along access roads and important river crossings to prevent settlers entering the area.

However, until Maxus has had time to comply fully with the plan, environmentalists will remain distrustful, remembering years of oil company abuses in the rainforest.

Also, questions remain over the long-term impact of the measures. Will the pipeline have enough safety valves to minimise the repercussions of a possible oil spill? Is a complete regeneration of the forest area possible? Can the habitat of rare and endangered species be regenerated?

The local environmental group, Acción Ecológica, argues the effect of machinery noise and deforestation on many species that require

specific breeding grounds is still unknown. Yet more mainstream conservationists, while also opposed to the project, are trying to minimise the impact of the oil operations by participating in the process.

"Seeing that the decision to exploit oil in block 16 has been taken, we are now working to make the project as environmentally sustainable as possible," says Daniela Silva of EcoCiencia, an environmental research group.

Maxus has overcome previous opposition to the project by the indigenous groups whose livelihood depends on the forest. Through direct negotiations between Maxus and the Huaorani Indians, both sides have avoided political intermediaries and come to a working agreement. Maxus will provide community services and infrastructure to the Huaorani. It will also limit helicopter flights over the area to avoid disturbing wildlife, and prohibit employees from bringing in alcohol or pornographic material.

Having experienced the first Maxus community projects, most Huaorani see a chance to benefit from the venture while preserving their culture. "The way to protect our way of life and our culture is by

reinforcing our historical awareness, our language and our customs," says Enqueri, a Huaorani leader. "Through the schools and health centres that Maxus builds, we have this opportunity."

However, further east, the Tagari tribe, remains hostile to oil companies and other development efforts. Their strategy for survival is isolation rather than negotiation.

For the more compromising Huaorani, says Enqueri, the contingency plan developed in case of an oil spill is to go *en masse* to the Maxus headquarters to denounce their agreement with the company. Of the \$72m (280m) that Maxus will invest in block 16, about \$50m is earmarked for environmental protection measures, says Boris Abad, its government relations official. The government is investing 57 per cent of the project's total cost, estimated at \$2.2m. Maxus expects to produce 220m barrels of heavy crude over the next 20 years.

The initiative shown by Maxus so far in protecting the environment and indigenous communities in block 16 is an improvement over previous oil ventures in the Oriente. Yet whether it can be called a model environmental operation in the rainforest will depend on an assessment of the area in a decade.

Paraguay's parrots get the last word

John Barham describes how the country is cracking down on the illegal trade in live animals

Good news about the trade in endangered species is rare, especially when it comes from Paraguay, where the illegal trade in live animals, birds and skins flourished for decades.

During the 35-year regime of General Alfredo Stroessner, corruption and censorship were central to Paraguay's political system. Paraguayan hunters downed caymans in wildlife refuges by the hundreds of thousands to sell their skins.

The capital, Asunción, became a centre of the shady international trade in live parrots, snakes and monkeys, though it was banned under Paraguayan law and international treaties. What is more, the smugglers moved in the same underworld as gun-runners, drug traders and car thieves.

But in 1989, a military coup toppled Stroessner and Paraguay began making rapid, if uncertain, strides towards democracy. The government is anxious to improve Paraguay's dreadful image by taking action over human rights violations, corruption, smuggling and the illegal trade in animals.

Over the last 18 months, Paraguay has sharpened its environmental laws and promoted determined, honest individuals. The result is more seizures of skins and live animals that were once openly traded. Rich and powerful merchants find their links to the military no longer provide immunity.

Even the Swiss-based United Nations' Convention on International Trade in Endangered Species (Cites), once a bitter critic, now recognises Paraguay's improving. Obdulio Menghi, Cites' scientific co-ordinator, says the Paraguayans "are working like never before, because of the professional and political [commitment] that the country has assumed for the first time".

Change has come almost entirely as a result of intense international pressure from groups such as Cites. Luz Aquino-Shuster, head of the government's Cites liaison office, says: "When I went to conferences, I would be pointed at and people would say

Paraguay is a bad country. It was terrible." Now, she gets letters of support. Moreover, she says: "Biologists are in charge now. This is important, because before the politicians were in charge and they did not care."

The US Fish and Wildlife Service is advising the government on improving controls, a further sign that Paraguay's search for respectability is something more than a public relations ploy. However, the Paraguayans have little hard data to show for their work, although they do provide some graphic accounts of their seizures.



For instance, in February, Aquino's staff seized 1,125 skins, coats, belts and shoes from a trader. They also fined a shop selling illegal furs and skins \$37,500 (230,000) - a princely sum by local standards.

Since then, traders have become wiser and seizures less frequent. Furthermore, some foreign governments caution that Paraguay's improvement is overstated, warning that corruption and smuggling still continue, if only with greater discretion.

Nonetheless, the government is co-ordinating wildlife control operations with the army, police and customs, since the trade in animals is part of a wider underground market in drugs, arms and stolen cars. It is also sponsoring an environmental law in congress

and Aquino hopes that smuggling animals - at present a civil offence - will be made criminal.

Falling international prices have made her work easier. Hunters have glutted the market and demand in once lucrative Asian markets is declining. Warehouses around the world are stacked with enough cayman, iguana and boa constrictor skins to last many years.

There is still a lot to be done. Menghi says: "You have to struggle permanently against contraband, whether of animals, drugs or arms." And several important European markets are still importing animals and skins, to the Paraguayans' fury.

Clamping down on smuggling hits peasants and Indians, who are used to supplementing their incomes with hunting. Exported hunters can easily catch a pair of adult parrots or shoot 15-20 caymans a day, although they are paid very little. It is the middlemen who reap the profits: a parrot can retail for up to \$10,000 in Los Angeles.

The government is trying to ease this problem by allowing controlled exports of a few species whose numbers are not in danger. The main candidate for "rational exploitation" is the heavily hunted Teyu Guazu iguana, whose skin is used to make handbags, belts and cowboy boots. In 1980-85, between 1.5m and 3.6m Teyu Guazu were exported.

Closer co-operation is needed at regional level. Paraguay's neighbour, Argentina, is often criticised for lax controls and its security and conservation forces lack co-ordination. Smugglers habitually exploit its generous export licences to "launder" species hunted in Bolivia, Brazil and Paraguay. However, Menghi says even Argentina is improving its controls.

However praiseworthy these efforts may be, they do little to alleviate the destruction of habitats, the principal threat to wildlife. The situation is worsening by the day, as Paraguay's forests are cut down and farmers encroach on virgin territory.

Ned Lloyd

هكذا من القبول

Television/Christopher Dunkley

A night of purgatory

Every few years someone in the US writes a best selling book which blames one mass medium or another for the ills of society, particularly the violence. First horror comics, then movies, were the butt; then, about 30 years ago, television became the favourite target. Each focused so tightly upon one particular vice that the writer is incapable of observing the wood beyond the trees. The danger and sadness of such books is that they offer unthinking people an easy escape from unpleasant realities. Many jump at the opportunity to blame television for virtually anything: sexual abuse of children, juvenile delinquency, and inner city riots, even though all have been a part of human society for millennia. Repeatedly this

Objection to the US rock video station MTV was more often tedium than corruption

column has pointed out the silliness of calling for the censorship of television as though that would somehow change human nature. The response "Ah, but television makes it all so much worse and increases the numbers of abusers/delinquents/rioters" suggests a failure to read Mayhew, Dickens, or even old copies of *Punch* in order to understand how much worse things used to be. However, the most recent book is couched in such reasonable terms, so willing to concede that the mass media alone are not responsible for all our ills, that it commands more attention than most. True, author Michael Medved is more concerned with the cinema than television, hence the title: *Hollywood vs. America*. But the chapters published this week in the *Sunday Times* are devoted to rock music, including the output on the cable and satellite channel MTV. As introduction Medved notes "I do not claim that media messages cause destructive behaviour, but I do contend that they encourage it. At the same time, I never stress the pernicious power of one movie, or one TV show, or one hit song. What concerns me is the accumulated impact of irresponsible messages that are repeated hour after hour, year after year. The most significant problems of the popular culture

stem from the pervasive presence of anti-social material, not from a few isolated examples of offensiveness." He then gives an undeniably unpleasant catalogue of rock lyrics involving the subjection of women, necrophilia, sado-masochism, and mutilation of female genitals. Specifically he quotes the lines from a Guns 'n' Roses number: "Panties round your knees with your arse in debris... Tied up, tied down, up against the wall... Turn around bitch I got a use for you" and more. He quotes a research study by America's National Coalition on Television Violence from the winter of 1991 which examined 700 music videos from cable and broadcast television and discovered an average of 20 acts of violence per hour. On MTV, he reports, the situation was even more extreme: 20 instances of violent imagery in an average hour of programming.

I still feel that television mimics people much more than people mimic television, but there were two things in this particular instance which hinted that there might be more reason than usual for concern. First, my own casual viewing of MTV via the Astra satellite suggested that unlike other channels, where a violent or otherwise objectionable programme will invariably be surrounded by different and mainly unobjectionable material, MTV, a channel dedicated pretty well exclusively to rock videos, might be producing abnormal concentrations of nasty material. Second, some parents seemed to use MTV as a sort of baby-sitter for bigger children, not merely allowing them to watch it on their own for hours on end but flatly refusing to watch with them on account of the ghastly noise.

If such concentrations did exist, and if children were left to imbibe it for hours alone, might this not eventually have some effect? On Sunday evening, leaving the video to capture *A Year in Provence*, I switched to MTV and stayed with it for an hour after hour. It was a deeply dispiriting experience, though not, chiefly, for the reasons advanced by Medved. No doubt he would have been appalled at the words of the song "School For Fools" by Love Sex And Death, who have presumably been listening to Pink Floyd: "Whaddya learn at school? School's for fools. Teacher tells yer what yer say, teacher tells yer when yer pray, whaddya learn in school? Nothing," and the lyrics to "Razmatazz" by Pulp (or it could have been "Pulp" by Razmatazz) which began "The trouble with your brother is he's always sleeping with your mother..."



Les Thugs: one of the contributors to MTV's noisy output

But that sort of thing was just as rare as the remarkable (borrowed) words to "Here Comes The War" from New Model Army: "Put out the lights on the age of reason... the whirling dervish spinning faster and faster, the centre cannot hold... give us liberty or give us death". Mostly on MTV the words - when they could be heard by a normal person which was less than half the time - were like objects trouvés: ill assorted and meaningless. Perhaps European MTV is different from the American version but, on this night in Britain, at any rate, the objection was more often tedium than corruption. Perhaps Medved would argue against this, claiming that there are as many examples here as in the US of what he calls "a contemptuous attitude towards religion". Certainly lots of bands seem to have followed Madonna and taken to using the trappings of religion in a profoundly irreverent way. Yet if you regard religious organisation as frequently one of the more pernicious aspects of human society this may not worry you, and if you are opposed to the over-loudness of violent imagery then presumably you will approve attempts to devalue the most widespread violent image in the western world: the head and torso of a man,

dripping blood from a crown of thorns. That familiar image certainly featured large on Sunday night. But a solid evening of Anglo-European MTV produces other worries. The sheer tedium of group after group offering nothing but guitar and drums with occasional keyboards has to be experienced to be believed. From Les Thugs to Man-O-War, from Distortion to Protect And Survive all they offer is an undifferentiated outpouring of rhythmic noise. Was I imagining it, or were things utterly different when I was 17? I checked the 1981 charts and found everything from Dave Brubeck to Nat King Cole and Petula Clark. True, there was rhythmic noise from The Shadows but there was also melody from the Everly Brothers and real tunes from Ray Charles. Perhaps European television still spares our children the worst excesses of its American counterpart, but the rock video seems to be killing the art of popular music and putting in its place a drearily meaningless sequence of unconnected images: fire, desert, motor cars and motorcycles, crucifixes, leather jeans, and back to fire. Watching it for more than five minutes must surely seem, to anyone with even a spark of intelligence, like purgatory.

Music Theatre/Alastair Macaulay

Mozart on the Fringe

Figaro starts the opera by mapping out his new room: "TV... Video... Hi-Fi... CD..." Leporello keeps the list of Giovanni's conquests on his pocket computer. Susanna wants to know if Figaro likes the new colour in her hair. Rosina summons her maid with a bleeper. Otavio (rhymes with "gravy-oh") calls Anna "Kitten" and "Precious". Cherubino gets sent to the Brecon Beacons for a fortnight with the OTC. Don Giovanni (call me Don) launches the finale with a paean to sex, drugs and rock 'n' roll.

This up-to-date modernity is just the top layer of Music Theatre London's versions of *Figaro* and *Giovanni*, which come to London after a triumphant tour of Germany and Austria. (*Figaro* has been considerably revised since last shown in London; *Giovanni* has been adjusted.) Still, if that were all, these stagings would be little better than the Peter Sellers productions seen on TV two years back. (Well, they would certainly be funnier - a big plus. And they would use the language of their audiences - another.)

But there are other revelations. The best comes, I think, in casting both operas with skilled actors, who never place vocal effect above communicative singing. Put the words first and you hear how natural Mozart makes the voices sound - how far from high-art plush exclusivity he was.

The only people who should stay away are canary-fanciers and the-text purists. It is Music Theatre London style to take more cuts than is usual in the opera house and to replace almost all recitative with speech. *Figaro* takes one cut

too many - the great second act trio - but it glides along. (Though *Giovanni* sags slightly at two points - the Commendatore's, sorry, Colonel's, death scene, and the coloratura of Anna's second aria - its general pace is, if anything, livelier.) The singers bring off the speech-song alternation with a naturalness that makes *Figaro* and *Giovanni* work like musicals (without the laborious elocution that so often bogs down the spoken bits in operas like *The Magic Flute*).

Another joy is the sheer musical and dramatic wit with which these versions adapt Mozart to the 1990s. It is, of course, a hoot to see Rosina sing her first aria on an Exercise bike, but when her pedalling changes tempo with the music, and as her singing never falters, the episode actually takes you deeper into *Figaro*. The farcically misdelivered kiss and slap in the Act Four finale work as well as I have seen them, but better yet is the moment that follows: Cherubino, escaping, bumps into both Figaro and Susanna and looks fleetingly agast as he takes in a realm of adult intrigue beyond his comprehension.

Amid an excellent ensemble, the performances who best exemplify Music Theatre London style are Liza Sadovya (Susanna and Zerlina) and William Relton (Otavio and Basilio). These two are the most natural actor-singers of all, wonderful in their characterful underplaying, and the way Relton/Basilio says "Sounds like a bud in need of nipping. Sil" is among the classic line-deliveries I have ever heard. Gerard Casey (Don G. and Sir Cecil La. the Count) is almost as good, though he grievously over-ex-

tends every pregnant pause. Simon Butteriss is both Masetto and Marcellina - yes - which may be the most remarkable role-swapping since Lynn Seymour switched from Carabosse to Aurora overnight in 1977; though he pulls faces too much, he is a marvelously amusing clown.

The Britten/Broadhurst translation is so unflatteringly good that I hope to return just to catch more of its passing felicities. It has only one tiny bit of translationese ("no tank from the window came down"). The way it never goes in for smart-alek rhyming is part of its stylishness. And it misses only one target. Surely the modern Elvira does not join a convent? She joins a woman's group, or becomes a lesbian, or starts a Ph.D. on the phalloscentricity of Eurocentric culture.

Last week you could also catch a more conventional *Don Giovanni* - period togs and all - at the Hackney Empire. The thrill here was hearing how well this theatre suits Mozart. Sitting way back, I loved both the ease with which the voices projected through the packed house and the absorption with which a largely Eastender audience followed most of the show. The company was Opera Box; its singers offer no new treats to those who know this opera, and the cast veered away from Fraser Goulding's baton too often. But this beautiful Matcham Theatre is the best venue for Mozart in London I have discovered. How appalling for find that it is battling for its continued existence.

Music Theatre London's season at the Drill Hall, WCI, continues until March 21

Theatre/Alastair Macaulay

Not Fade Away

"Do you know how scared that makes me? Every day I feel I'm going to cave in if I give way to one of these memories." Frances, a young woman, is haunted by her own past; and she is possessed by it. So possessed that she feels as if she has no freedom to act independently, and so haunted that she has had to isolate whole facets of her personality and sometimes to banish them from her present life.

It emerges that she was sexually abused by her grandfather from the age of six onwards; that she was called "the devil's child"; that her mother visited so sporadically that Frances did not realise who she was; and more. All of which Frances tells herself. Part of the wit of *Not Fade Away* is the way you do not know for some time that the man she is talking to is a psychoanalyst; or that Frances contains so many selves that she is a traumatic case of schizophrenia. By the time you know, you care. She has done horrific things; you never fully understand her, or all that has happened to her; but you care.

The author is Richard Cameron, whose *Pond Life* had a notable success at the Bush last year. The most tormented character in that play called Togo, from whom Frances seems to have been developed. But here Cameron has a different angle. We never see Frances in everyday social con-

text. She is either alone or talking to the analyst. And we (unlike him) keep hearing (on tape) the several voices in her head - except when, alone on the performing stage of her mind, she sings, powerfully, pop classics. Sometimes it is as if we are in her head. Any description, however, must detract; as with *Pond Life*, the best enjoyment comes simply in watching it surprise you as it unfolds. It is full of truth, right down to details of the psychoanalyst's body language. Only once or twice do you sense that this *tour de force* has been conceived for wow effect - there are scenes of possession that recall *The Dybbuk* - and that Frances's more poetic locutions do not ring true to her character. You always watch her objectively, aware of her ultimate unknowability. The play simply shows you fragments from her progress; sometimes too fragmented for clarity.

Kelly Hunter is Frances. This is an astonishing performance, not least because most of its virtuosity is invisible. With apparently complete ease, she shows you Frances as child, sad, prone, innocent, victim, tormentor, and the various ways these facets conflict or combine.

Not Fade Away, like *Pond Life*, is directed by Simon Usher and designed by Anthony Lambie - the duo who have also staged James



Kelly Hunter

Robson's remarkable *King Lear* for the RSC, currently at the Pit. It is now evident that Usher (though I presume he is responsible for the white-voiced and raised-eyebrow version of childish innocence that here repeats from *Pond Life*) has a rare gift for handling plays that deal with psychological anguish and confession. And Lambie, as in *Pond Life*, shows great skill in turning the small Bush space into three wholly distinct interiors. Congratulations to all concerned.

At the Bush Theatre, W12, till March 20

Jazz/Garry Booth

Picking on Cherry

There is an unfortunate person sometimes heard at London jazz concerts. He seems compelled to react loudly, in the silence of a large auditorium, to whatever crosses his mind at any moment.

I rather wished this tormented soul had been present at the Nu Now concert on the South Bank earlier this week, when Don Cherry first croaked into his pocket trumpet. He might have startled the old man of world music into more coherent action. That Cherry has a uniquely elusive but persuasive sound is without doubt, but his wandering concentration and arthritic trumpet playing on Monday was initially beyond comprehension. Fortunately, the rest of the Nu Now quartet, the bubbling rhythm of Bob Stewart on tuba, kinetic Hamid Drake on drums and Carlos Ward's sleek alto saxophone - delivered support with such flowing momentum that the early inertia of Cherry's playing was all but overcome. Creeping

unsteadily around the piano in black tailcoat and embroidered bow tie, Cherry seemed uncomfortable on his dais with shakers, *doussouni* and melodica. Cherry seemed unable to penetrate material which ranged between Nu Now originals, music from Ornette Coleman and Thelonious Monk. By the end of the first set, which ground to a halt with Cherry endlessly tuning the trademark six string African guitar, the *doussouni* player, the full house at the Queen Elizabeth Hall squirmed.

Thankfully Cherry appeared after the interval sounding more purposeful: especially at the piano where in a Monk medley he contrived to sound even more dislocated than the original. Ward tangled excitedly with angular rhythms from Drake, and Stewart's golden, classical tone flared in a long-awaited solo excursion. Perhaps fired by his colleagues' enthusiasm Cherry finally managed to make a mouth of the muted trumpet.

Susanna Centlivre (c 1667-1723)

was one of the first women playwrights. She was also the most prolific and popular of either sex in the early part of the 18th century, a period which included Congreve, Farquhar and Wycherley. She continued to be a box office success with such plays as *The Betsy* and *The Wonder* until well into the reign of Queen Victoria. In the present century she has been forgotten, except as a curiosity. There is much to be curious about. She probably came from Lincolnshire; attended Cambridge, dressed as a boy and then became a strolling player. Somewhere she must have picked up French, for the French influence in her works is very strong. One of her husbands (she may have had three altogether) was worth killing in a duel. The last was Joseph Centlivre, who occupied a senior place in the Queen's kitchen; just below the level of master cook. Alexander Pope, who mocked Mrs Centlivre in "The Dunciad", thus referred to her as the cook's wife. In politics she was a Whig and a Protestant. As a dramatist, her great merit was that she wrote parts that actors like

Theatre

The Artifice

David Garrick wanted to play again and again. So it is good to see her revived at the delightful Orange Tree Theatre in Richmond. There must be a question mark, however, over the choice of play.

The Artifice is her last work. It ran only three nights at Drury Lane in 1722. John Wilson Bowyer, an American who wrote a book (1952) about Mrs Centlivre, says that it contains "some of the worst elements of three dramatic schools - light manners, busy intrigues and sentimental reformation - and is really a failure in all."

Wilson Bowyer did not underestimate. *The Artifice* has no central plot, only a number of subplots which do not relate to each other much. The common themes are marital infidelity and the pursuit of wealth and titles, but without the interweaving that you would find in a Congreve or a Sheridan. Still, Mrs Centlivre could cer-

tainly write. There is a pompous country gentleman called Mr Watchit, played here by David Timson, who is very jealous of his wife - and looks her up while he philanders. Louisa, a Dutch lady jilted by an Englishman, enjoys herself by pretending that she has poisoned him while they share a last embrace. She wins him in the end. Best of all is the ambitious Widow Heedless (Auréli Smith), worth £20,000, embittered by her first marriage and resolved not to marry again beneath the level of a lord. She succumbs to a captain of a regiment who was posing as her footman.

Individually, these parts are sharply drawn. Others, like Sir Philip Moneylove who thinks that money is all that counts, are much flatter. The play is that none of them fit together. But such shortcomings in the text are at least partially overcome by the infectious enthusiasm of the production by Sam Walters. The performances are better than the play, and this is a curiosity worth seeing.

Malcolm Rutherford
Orange Tree, Richmond until March 27. (081) 940 3633

Mendelssohn, Milhaud and Strauss. Mon: opening event of Leipzig's annual Trade Fair. March 11: world premiere of new symphony by Siegfried Matthus (7132 280)

■ GOTHENBURG
Konserthuset Neame Järvi conducts the next three weeks of concerts with the Gothenburg Symphony Orchestra. Tomorrow and Fri: works by Debussy and Nystrom and Strauss. Next Wed and Thurs: Milhaud, Tamberg and Brahms (167000)

■ LYON
Opéra de Lyon presents the French stage premiere of Schumann's *Manfred* on Sun afternoon in Auditorium Maurice Ravel, repeated next Tues, Wed, Fri and Sat. Philippe Herreweghe conducts Jean-Claude Berutti's production, with Manfred Karge in the title role (7828 0960)

■ MUNICH
Gastspiel Tonight: Marek Janowski conducts Bavarian State Orchestra in concert performance of Siegfried, with René Kollo, Uta Vinzing, Matti Salminen and James Morris. Mon: Götterdämmerung (4809 8614) Gärtnersplatztheater Tonight: Der Freischütz Fri: Il barbiere di Siviglia. Sun: first night of new production of Siegfried Matthus' Cornet Rillee opera, repeated on Tues. Next Wed and Fri: Luisa Miller (201 6767) Prinzregententheater Tomorrow:

Hans Drewnan conducts concert performance of Don Giovanni, with Wolfgang Brendel, Sharon Sweet and Inga Nielsen. Thurs: Bernd Weikl sings Winterreise (221316) Cuvillies-Theater Fri: Dennis Russell Davis conducts revival of Manfred Trojahn's opera Enrico, repeated next Wed and Fri (221316) Residenztheater Sat: first night of new production of Sam Shepard's *Shocks*. The repertoire also includes Ibsen's *Ghosts*, Kleist's *Amphytrion* and Shakespeare's *Romeo and Juliet* (225754)

■ STOCKHOLM
● Cullberg Ballet opens a three week season at House of Dance on Fri. The first week's programme includes the world premiere of a new work by Philip Taylor (796 4910)
● Peter Jablonski gives a piano recital tomorrow at Berwaldhallen (784 1800). Royal Opera repertoire includes Simon Boccanegra tonight, Les Contes d'Hoffmann tomorrow, Sat and Mon, and Cav and Pag on Fri (248240)

■ STUTTGART
Staatstheater Tonight: Philippe Auguin conducts revival of Yuri Lyubimov's production of Tannhäuser (repeated March 7 and 14). Fri and next Tues: Così fan tutte. Next Wed: Nono's *Intolleranza* (221795)

European Cable and Satellite Business TV (All times are Central European Time)

MONDAY TO THURSDAY
Super Channel: European Business Today 0730; 2230

MONDAY
Super Channel: West of Moscow 1230.
Super Channel: Financial Times Reports 0630

WEDNESDAY
Super Channel: Financial Times Reports 2130

THURSDAY
Sky News: Financial Times Reports 2030; 0130

FRIDAY
Super Channel: European Business Today 0730; 2230
Sky News: Financial Times Reports 0530

SATURDAY
Super Channel: Financial Times Reports 0930
Sky News: West of Moscow 1130; 2230

SUNDAY
Super Channel: West of Moscow 1630
Super Channel: Financial Times Reports 1900
Sky News: West of Moscow 0230; 0530
Sky News: Financial Times Reports 1330; 2030



■ BONN

Giacca del Monaco, the new intendant of the Bonn Opera, has two productions in repertoire, both conducted by Dennis Russell Davies: Der Freischütz tonight and Sat with a cast including René and Nadine Secunde, and Otello on Sun and next Wed (773687)

■ COLOGNE

Philharmonie Tonight: Alexander Lonquich piano recital. Tomorrow: Elena Bashkova and Philharmonia Quartet in piano quintets by Schumann and Shnitke. Fri: Hiroshi Wakasugi conducts Cologne Radio Symphony Orchestra in works by Weber, Hindemith and Beethoven, with piano soloist Bruno Leonardo Gelber. Sat and Sun: Bach's St Matthew Passion. Mon: Ivo Pogorelich plays Scarlatti sonatas (2801) Opernhaus Tomorrow, Sun and next Wed: James Conlon conducts revival of Ian Judge's

production of Macbeth, with Franz Grunert and Elizabeth Connell. Fri: Zar und Zimmermann. Sat: Lohengrin with Gary Lakes, Eva Johansson and Sergei Leiferkus. Sun morning: Laïo's Le Roi d'Ys with piano accompaniment (221 8400)

■ DUSSELDORF

OPERA/DANCE
The main event this week at Deutsche Oper am Rhein is the premiere on Sun of Heinz Spoerli's ballet Goldberg Variations, music by Bach. The repertoire also includes Zar und Zimmermann tonight, Die Fledermaus tomorrow and next Tues, Swan Lake on Fri and Tosca on Sat (211-8908 211)
THEATRE
Maxim Gorki's Vassa Shelesnova, in a new production directed by Fred Berndt, can be seen tonight and Sat at the Schauspielhaus, with Nicole Heesters in title role. Tomorrow: Shakespeare's A Midsummer Night's Dream directed by David Mouchtar-Samorai. Fri and next Mon: Büchner's Leone and Lena. Sun: AR Gurney's Love Letters (211-369911/211-162200)

■ FRANKFURT

Alte Oper Tonight: favourite opera choruses with Chorus of Prague National Theatre. Tomorrow and Fri: Andrew Davis conducts Frankfurt Radio Symphony Orchestra in works by Stravinsky, Kabalevsky and Mozart, with cello soloist Steven Isserlis. Fri in Mozart Saal:

Robert Gambill song recital. Sun: Ivo Pogorelich. March 11: Ute Lemper (1340 400) Jahrhunderthalle Hoechst Tomorrow: Little Richard. Fri, Sat, Sun: Jesus Christ Superstar, musical by Andrew Lloyd Webber and Tim Rice. Mon: Jerzy Maksymiuk conducts BBC Scottish Symphony Orchestra in symphonies by Shostakovich and Sibelius, plus Nielsen's Flute Concerto with Aurèle Nicolet. Next Wed and Thurs: Netherlands De Theater (3601 940) Opernhaus Sat: Britten's A Midsummer Night's Dream. Sun: Ekkehard Klokke conducts first night of Werner Schroeter's new production of Lady Macbeth of Mtsensk, with Kristine Ciesinski and Sergei Larin. March 21: revival of Peter Sellars' staging of Nixon in China (236061) Schauspielhaus Tonight and Sat: Schnitzler's Undiscovered Country. Tomorrow: The Merchant of Venice. Fri: Sophocles' Antigone. March 12: first night of new production of Shakespeare's Othello. March 18: revival of William Forsythe's ballet Limb's Theorem (2123 7444)

■ HAMBURG

Staatsoper Tonight, Sat and Mon: Così fan tutte. Tomorrow and Sun: Elihu Inbal conducts John Dew's new production of Aida, with Maria Guleghina, Lhvia Budal, Michael Sylvester and Evgeny Nesterenko. March 14: first night of new production of Siegfried (351721) Musikhalle Tonight: Miriam Fried

plays violin concertos with Mozart Orchestra. Sun morning, Mon and Tues evening: Günter Wand conducts North German Radio Orchestra in Bruckner's Ninth Symphony. Sun evening: Herbert Beisel conducts Hamburg Symphony Orchestra in works by Schubert and Bruckner (354414) Deutsches Schauspielhaus Tonight: King's Blood, Augusto Fernandes' adaptation of Ibsen's The Pretenders. Tomorrow and Tues: Thomas Bernhard's Die Macht der Gewohnheit. Fri: It's Time, play by Tom Cole. Sat: Euripides' The Bacchae. Sun: Der kleine Faust, opera bouffe. March 13: first night of new production of Feydeau's farce A Flea in her Ear (248713)

■ COPENHAGEN

Royal Theatre Tonight and next Tues: new production of Balanchine triple bill. Tomorrow and Mon: Bournonville's ballet Napoli. Fri: Ariadne auf Naxos. Sat and next Wed: Le nozze di Figaro. March 13: new production of Drot og Marsk, Danish opera composed by Peter Heise in 1878 (3314 1002)

■ LEIPZIG

Gewandhaus Tonight: Ensemble Avantgarde plays works by Morton Feldman and George Crumb. Tomorrow and Fri: Kurt Masur conducts Leipzig Gewandhaus Orchestra in Brahms and Mendelssohn, with violin soloist Viktoria Mullova. Sun: Gewandhaus Quartet plays

Edward Mortimer



"The ebbing of Russian power after the 1917 revolution seemed to provide more auspicious conditions in which the national aspirations of the peoples of Transcaucasia could be realised. As it turned out, Russia's weakness proved only temporary. The record of the independent republics of Azerbaijan, Armenia and Georgia established in the interim was in any case not particularly promising."

The quote is from Post-Soviet Transcaucasia by Jonathan Aves (Routledge, £25.50) - the latest in the impressive series of papers produced by Chatham House's Post-Soviet Business Forum. And the question it raised for me - one that has been nagging away at the back of my mind ever since the Soviet Union began to break up - was: will history repeat itself?

For if one thing emerges clearly from Mr Aves's paper, it is that the record of those three republics is not very promising this time round, either. Armenia and Azerbaijan have been gradually destroying each other since 1988 in the conflict over the Nagorno-Karabakh region, while Georgia has been destroying itself almost single-handedly.

Georgia's leaders, it is true, tend to blame Russia for stirring up trouble, notably in the breakaway regions of Abkhazia and South Ossetia. Mr Aves, a lecturer in Russian government at the London School of Economics, only partially endorses such accusations. He is much more scathing about the Georgian leaders themselves, especially the self-appointed defence minister, Mr Tengiz Kitovani. Even the widely respected former Soviet foreign minister, Mr Eduard Shevardnadze, does not come out too well.

Mr Aves admits that Mr Shevardnadze's return to head the Georgian government a year ago "established the credentials of the new regime", but he goes on to point out that, "dominated by ex-communists", the government has so far taken no significant measures to promote economic reform. "Despite the republic's catastrophic economic situation",

At the same time he detects

Those were the days

Transcaucasia may welcome a reassertion of Russian power

a "drift towards authoritarianism". A personality cult appears to be emerging around Mr Shevardnadze, and critics of the government find it increasingly difficult to express their views.

Mr Aves is equally pessimistic about Azerbaijan, in spite of its relative good fortune in having "a strong agricultural base and enough oil to give it a trade surplus with the other republics". Paradoxically, he

Pax Russica is, after all, the peace that the region has known in the last two centuries

says, "these economic strengths have combined with political turmoil to retard plans for economic reform", since the government "appears to believe that future income from oil removes the need for rapid change".

At the same time, military reverses at the hands of the Armenians have undermined political stability, and the hold on power of President Abul'faz El'chibei, the nationalist leader who came to power last year, "is by no means to be taken for granted".

Armenia's President Levon Ter-Petrosian gets slightly better marks, for introducing at least some economic reforms, and having the political skill to consolidate his power base without resorting to authoritarianism. But such compliments will ring hollow in the ears of the many Armenians

now enduring their second winter in unheated apartments, and often short of food, thanks to the Azerbaijani blockade and the repeated sabotage of the gas pipeline through Georgia.

Nor is Armenia's political stability exactly obvious when, since Mr Aves's paper went to press, the president has had to dismiss his prime minister (for denouncing the government's own economic plan in a speech to parliament), the opposition has spurned the president's offers of a coalition government, and over 100,000 people have demonstrated in the capital, Yerevan, demanding his resignation.

More ominous still is Mr Aves's warning that, although Armenia had the best of last year's fighting, the odds favour an Azerbaijani military victory in the long run. Armenia, he points out, has few natural resources and no outlet to the sea, being "bordered by an unreliable ally, in the form of Georgia, an uneasy partner, in the form of Iran, a hostile regional power, in the form of Turkey, and a declared enemy, in the form of Azerbaijan". There must, Mr Aves says, "be a serious question mark over the long-term future of the state".

Although Armenians, radicalised by the Karabakh issue, were one of the first Soviet peoples to demand independence in the late 1980s, they are also the one with most to lose when Russian influence in their region declines.

In 1920 Armenia had to beg for Russian protection to prevent itself being overrun by the Turks; and by 1923 it had become, alone in the region, "a loyal and enthusiastic member" of the Russian-dominated Commonwealth of Independent States.

Most Armenians will therefore be glad to hear that "in 1992 there has been a perceptible reassertion of Russian influence in Transcaucasia", and may even hope that Mr Boris Yeltsin, the Russian president, obtains the United Nations mandate he requested for his country last Sunday, to serve as "guarantor of peace and stability" throughout the former Soviet Union.

Pax Russica is, after all, the only peace that Transcaucasia has known in the last two centuries; and the chances of its peoples making peace spontaneously among themselves seem very slight.

"Upwards-only rent review clauses seem designed for a world which had the certainty of an upwards-only pattern of property values. This pattern is not in the interest of the economy as a whole, and the thrust of our anti-inflationary policy is intended to make it obsolete."

Bank of England

The row unleashed last week over the UK government's plans to allow leaseholders to buy the freehold of their homes is matched by a quite separate but equally controversial debate over leases in the commercial sector.

Since the Bank of England threw its weight behind the case for reform in January, the battle has continued to rage. Its attack focused on one of the most cherished principles of the UK property investment industry: that rents should move only upwards after their five-yearly reviews.

It also criticised the "apparently absurd outcomes" that stem from privy of contract, another mainstay of the standard 25-year commercial lease. This means that tenants who pass on a lease when they cease to occupy a building remain liable for rent if a subsequent tenant defaults.

The system was an example "of responsibility without power", said Mr Robin Leigh-Pemberton, the Bank's governor. His remarks drew an angry response from many commercial landlords, who depend heavily on the reliability of the rental income. "The Bank appears to be sweeping the carpet out from under our feet," said Mr Michael Mallinson, a past president of the British Property Federation.

Mr John Ritblat, chairman of the property company British Land, concurred: "It was an uninformed, impoverished statement that was greatly damaging to the industry."

But the Bank of England is not alone. The case for change is being voiced by businesses, politicians and academics with increasing urgency as the recession deepens. Mrs Angela Browning, Conservative MP for Tiverton, in a Commons debate last November, cited the example of some constituents who had been forced to sell their home to discharge rental debts relating to former premises.

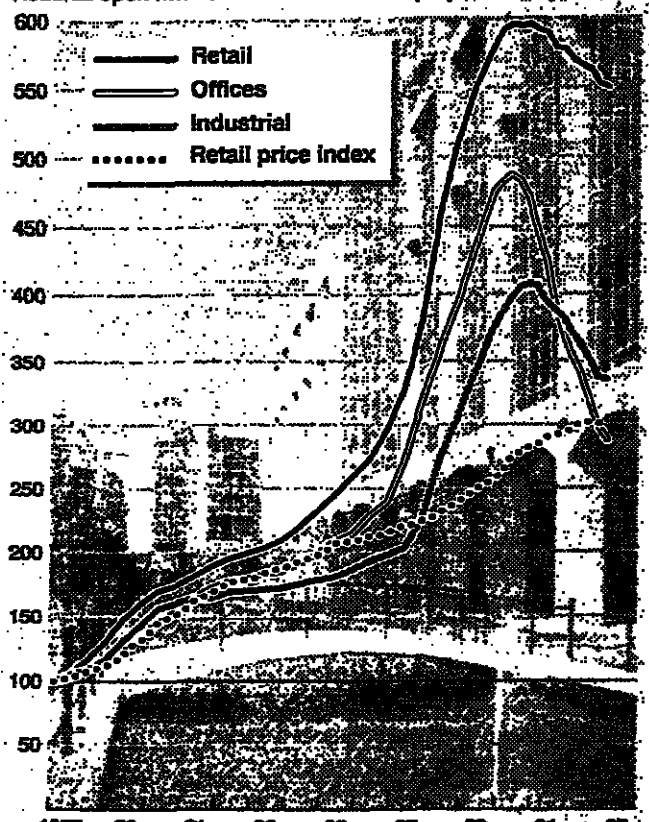
"This has done more to devastate small businesses than even global recession," she said. But privy of contract is not simply a problem for small businesses. Boots the Chemist made a provision of £5.8m in its last financial year related to

Hitting the roof over reform

Calls for changes to UK commercial property leases are gathering pace, says Vanessa Houlder

Commercial rents: in the firing line

Notional open market rents and inflation (May 1977-1992)



Source: Miller Fisher

per cent drop in property

prices would result in a £10bn fall in borrowing over the next two years. This would reduce gross domestic product by about 1.5 per cent or £3.7bn over the period compared with what it would have been if property prices had not fallen.

The landlords' defence of the existing lease structure extends to claiming that it works in the tenants' best interests. "The irony of the debate about upwards-only reviews is this: only in the current extreme situation does that provision work against tenants' interests," said Mr Mick Newmarch, chief executive of the Prudential life group.

He argued that, if security of income were removed and institutions became less will-

ing to invest in property, the supply of property would dwindle and rents would rise. "If the tenants of tenants win the day, they will actually be doing themselves more harm than good," he said.

This argument cuts little ice with tenants. With few exceptions, they view their landlords' interests as incompatible with their own. Their hope is that the property market will remain weak for long enough to allow them to make lasting changes in Britain's commercial lease structure.

Already, many leases signed in the past year involve concessions by landlords - such as giving the tenant the right to break the lease - which would have been unimaginable a few years ago. But without government intervention, reform is likely to be a slow process, since on average just 4 per cent of leases expire in any year.

The pressure for change creates a dilemma for the government, which promised to consider overhauling privy of contract in its manifesto last year. However, the Lord Chancellor, who has been lobbied intensively by both sides of the debate, has not yet arrived at a suitable compromise.

There is a conflict between the needs of struggling tenants and the rights of landlords, who say they would take the government to the European Court if it passed "confiscatory" legislation affecting existing contracts. "The government is on a hiding to nothing," says one of its advisers. "They have strong constituencies among the property industry and among small business people. They will risk alienating one side or another."

One area in which the government could act is by legislating on new leases, which could remove privy of contract, upwards-only rent reviews and confidentiality clauses. While this would be seen by many landlords as an unwarranted interference in the free market, it would nevertheless be less controversial than any tampering with existing leases.

For the Conservatives, the dilemma is acute. The government is reluctant to interfere with a system that underpins the strength and security of many financial institutions, from pension funds to banks. Nonetheless, the recession has illustrated powerfully the case for an overhaul. Otherwise, property's importance as an investment medium risks overshadowing its more fundamental productive role in the British economy.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Assessment of NHS reforms should reflect impact on patients

From Mr David Blunkett MP.

Sir, I was interested to read John Willman's review of the Organisation for Economic Co-operation and Development report, The Reform of Healthcare (Just what the doctor ordered, March 1). As Mr Willman rightly points out, the OECD can draw no final conclusions on the changes that have been brought either in Britain or the Netherlands.

Nevertheless, it is pertinent to ask the question as to how any final conclusions will be drawn.

Who are the changes expected to have benefited? Is it - as the cutting of costs indicates - governments and the Treasury which are to benefit? Or is it - as any sensible person would expect - the patients who are supposed to be the beneficiaries?

These are crucial questions when National Health Service changes have resulted in rocketing waiting lists and a two-tier health service, with GP fundholders obtaining minor treatment for their patients while serious surgery is delayed for many others. This situation has forced the secretary of state for health to admit, as she did last Friday, that the internal market has led to delays in urgent treatment, as hospitals simply run out of money.

I hope that the OECD will now connect up with those receiving health treatment so that further reports will make a judgment on outcomes and not merely inputs into the system.

David Blunkett MP, shadow secretary state for health, House of Commons, London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

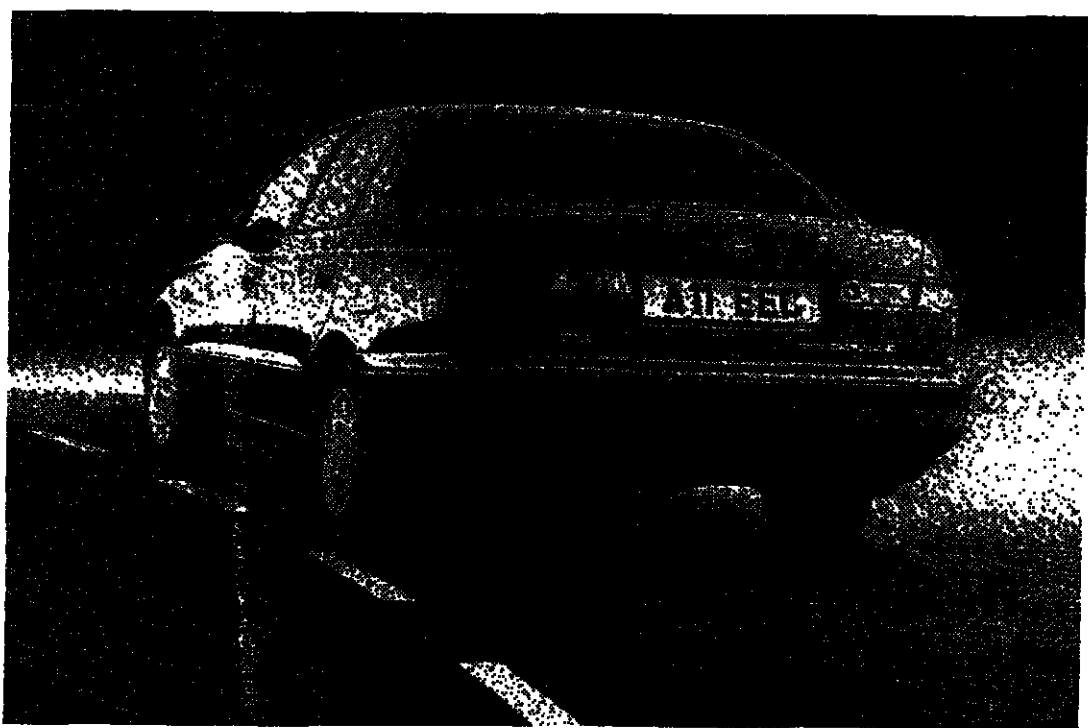
London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

WHY WALES PUTS THE POWER IN THE CAR IN FRONT



When Toyota were looking for the right place to build their new UK engine plant they chose Deeside

This part of North Wales already boasts a skilled and dedicated workforce with an excellent industrial relations record, as well as first-class access to motorways and airports.

But what helped to clinch the £140m investment deal, which will bring 300 new jobs to the area, was the support and in-depth local knowledge of the Welsh Development Agency - helping with the design and build of the plant and advising on many facets of this complex project.

To put the Welsh Advantage to your advantage call

the team at Welsh Development International on 01222 696062, by fax on 0222 668279 or write to Welsh Development International, Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX.



THE WELSH ADVANTAGE

FT3393

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

London SW1 6AA

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Wednesday March 3 1993

US targets
and Bosnia

THE US administration had two main objectives in deciding to parachute emergency aid to besieged Muslim communities in eastern Bosnia: the first was humanitarian, the second political. The difficulty that United Nations land convoys were having in delivering relief supplies to people in areas controlled by Serb militias seemed to justify a new approach.

But at least equally important for Washington was the political consideration that, after all the criticism of Serb atrocities during the presidential election campaign, the new president should be seen to act in line with his principles. The real problem is that members of the administration still seem to disagree over the longer-term policy options. With painful memories of the Vietnam war still relatively fresh, direct military intervention was never a realistic proposition and proposals to arm the Muslims ran into the stiff and well-founded opposition of the US's allies with troops on the ground.

Though the administration's dislike of the international mediators' plan for the division of Bosnia-Herzegovina into 10 semi-autonomous provinces has been well-publicised, the US has not, so far, come up with a viable alternative. Indeed, it has been obliged to pay lip service to the Vance-Owen plan in the knowledge that it is fully backed by Russia, Britain and France, all permanent members of the UN Security Council, which would have to endorse a Bosnian peace settlement.

In the circumstances, the air-drops must be seen as at least partly a political gesture targeted as much at domestic American opinion as at eastern Bosnia. Yet that operation must not be allowed to divert international attention from the efforts to achieve a peace settlement or from the need for the US to pull its full weight in the talks which resumed in New York on Monday.

When the US announced its new "initiative" on Bosnia last month, the administration made clear that it wanted to work in close association with Russia, in the hope that Moscow would exert pressure on its Serbian allies to make compromises. But the corollary of such a policy is that Washington, too, should try to persuade its Muslim protégés to adopt a more flexible approach.

Mr Alija Izetbegovic, the Bosnian president, has lately proved to be particularly intractable and has refused to lead his delegation in the peace talks. The suffering and grievances of his people are indisputable, but he must be made to realise that a durable peace settlement is in his own people's most fundamental interests.

The assurance the US has given that it will make a substantial contribution to the international force required to enforce a peace agreement should provide the kind of long-term guarantee the Muslims are looking for.

Pensions at risk

MANY PRIVATE sector employers have long regarded the company pension fund as a profit centre. Now, it seems, the government has cottoned on to the game: it has a beady eye on the pension funds of the remaining nationalised industries, which are worth a great deal more than the industries themselves. The Department of Transport's proposals for dealing with British Rail's pension funds after privatisation look a better deal for the public finances than for the pensioners; and trustees of other public sector pension schemes, including those of British Coal, are increasingly worried that present and future pensioners could be deprived of significant rights and benefits.

In most of the bigger privatisations accomplished to date, existing employees have had the option of remaining in a fund where pension benefits, including inflation-proofing, and improved benefits in the event of future surpluses, were no less favourable than the arrangements before privatisation. This will be true of existing employees of British Rail. But for most of British Rail's 200,000 or so current and deferred pensioners it is another matter. Either they can put their pensions nest egg into a closed fund, where they take on the risk of a reduction of benefits if investment performance is poor. Or they accept a government offer to buy out their pension in exchange for the equivalent of an investment in index-linked gilts.

At first sight, the second option — which, bizarrely, entails the pension fund being nationalised

while the rail industry is privatised — appears attractive, since it guarantees continuing inflation-proofing for pensioners. Yet, historically, index-linked gilts have tended to underperform equities, which form the bedrock of a normal pension fund portfolio. Moreover, the railmen have, under their present scheme, enjoyed a share of pension fund surpluses. Unlike private sector schemes, where the employer pays the balance of the cost of meeting pension liabilities after a fixed contribution from the employees, many nationalised industry funds operate on shared costs. Employer and employee have contributed in a fixed ratio, and the surplus has been shared, with employees enjoying contribution holidays as well as the employer, and the less well-off pensioners receiving uplifts in benefits.

As for the first option, the prospect of benefit improvements would be poor, because trustees would have to adopt a cautious investment policy in a closed fund with no new income coming in — not an enticing swap for people who have hitherto enjoyed both security and improved benefits.

The government's proposals may not be the most ruthless example of pension fund stripping. But benefits are being diluted. This will do nothing to enhance confidence in a pension system that has suffered gravely from the activities of the late Robert Maxwell. The government should think again and offer BR pensioners a deal that is genuinely no less favourable than the status quo.

Smith squares up

MR JOHN Smith's speech on constitutional reform, delivered with little fanfare on Monday night, will do him good. The UK Labour leader observed that too much government power is held at the centre and exercised in secret. Since the Conservatives first took office in 1979 local government has increasingly been hamstringed. A new tribe of unelected, boards, executives and committees has sprung up to run schools, hospitals and hived-off agencies spawned by Whitehall. Actions of the state have become more difficult to hold to account.

Few of the items in Mr Smith's list of proposed remedies are revolutionary. He would give local authorities "clear statutory powers, a reasonable and stable financial structure, and enough autonomy to find practical local solutions." A "new tier" of government would be installed in Scotland, which makes some sense, and in Wales and the regions of England, for which the case has yet to be proved. Mr Smith's opinion that the "all-powerful nation state" is "outdated" is not shared by everyone. His classification of the "ideal European model of decision-making as four-layered (municipal, regional, national and European) would not be controversial in most of the European Community.

The Labour leader's suggestion that the European Convention on Human Rights be incorporated into British law lays to rest his predecessor's messy compromise of a set of bills of rights tailored to suit Labour policies. It

is also in accord with the views of senior judges. Mr Smith over-eggs the pudding with his proposed Human Rights Commission and Ministry of Justice, but the intention, to protect individuals, is honourable. He quotes the Financial Times in support of a Freedom of Information Act. No comment.

Economic policy is best made with as much openness as possible. The Labour leader muses about a "Green Budget", confirms his party's plan for an annual "state of the nation" report, promises to end the ritual of pre-Budget purdah and, temptingly, argues that the Central Statistical Office should be made statistically independent, accountable to Parliament, and supervised by a special panel. He reflects his party's obsession with high earnings in his call for "the cobwebs of unnecessary secrecy" around boardrooms to be blown away, but seems to limit his proposals to those in last year's Cadbury report.

In sum, Mr Smith's modest slate of reforms would move his party further towards the centre. He says nothing about proportional representation for elections to the House of Commons, although he will have to come clean before Labour's conference in the autumn. His wider strategy therefore remains obscure. If he wanted a pact with the Liberal Democrats, he would test the water by persuading the Labour party to stand aside from the forthcoming by-election in Newbury. Meanwhile he has made a canny bid for Liberal Democrat votes.

The European Airbus consortium could not have chosen a worse moment to bring to market a new airliner.

The launch in Hamburg today of the A321 — a larger 186-seat derivative of the A320 twin-engine airliner — comes in the middle of the worst recession to hit civil aviation in the past 40 years.

Aircraft manufacturers around the world have been scrambling to cut production and employment to adapt to the siege-like conditions facing the industry. Airlines, which have made a cumulative loss of more than \$10bn during the past three years, have continued to defer or cancel an unprecedented number of new aircraft orders booked during the buying spree of the late 1980s.

The crisis, different from previous cyclical downturns because it has coincided with a deep slump in the defence side of the aerospace business, has also revived trade tensions between the US and Europe over the controversial issue of government subsidies for Airbus.

President Bill Clinton warned last week that he was determined to do "whatever it takes" to maintain US leadership in the commercial aircraft business. The US reached an agreement with the European Commission last year on commercial aircraft subsidies after five years of heated negotiations. But accusations are again flying across the Atlantic that Airbus is selling aircraft at unfairly low prices to increase its market penetration at the expense of its two US rivals, Boeing and McDonnell Douglas.

President Clinton told an audience of US aerospace executives and Boeing workers in Seattle: "I've seen these agreements made for years. I've seen people promise us they'd do this, that and the other thing, and nothing ever happens." Mr Larry Clarkson, Boeing's vice-president for planning and international development, followed this by telling a congressional aviation committee last week that it was "critical that the Europeans understand that neither the US government, nor its aircraft industry, will stand on the sidelines and allow these practices to rob us of our market."

However, at this stage at least, Mr Clinton's broadside against Airbus appears to have been largely dictated by domestic US concerns at a time when thousands of jobs are at risk in the aerospace industry.

Both Boeing and McDonnell Douglas are in the throes of sweeping restructuring. Boeing, the world's biggest manufacturer of commercial jets with about 60 per cent of the world market, is reducing its overall production by 35 per cent and has announced 26,000 job cuts over the next 18 months. McDonnell Douglas, now trailing

Acrimony could give way to co-operation in the international aerospace industry, writes Paul Betts

Bumpy flight from
conflict to concord

behind Airbus as the world's number three commercial aircraft maker, plans to reduce its workforce by 10 per cent this year after cutting it by 20 per cent last year. By the end of this year, the group's overall employment will have dropped from 121,000 in 1990 to about 78,000.

Mr Clinton told Boeing workers that "a lot of these layoffs would not have been announced had it not been for the \$26bn that the US sat by and let Europe plough into Airbus over the last seven years."

Airbus has also been forced to revise production plans. But unlike its two American competitors which are reducing output, Airbus has so far claimed its output will continue to grow, albeit at a slower rate. Mr Jean Pierson, the Airbus managing director, said last month that the consortium's production was expected to grow from about 150 aircraft this year to about 170 in 1995, compared with an original target of 225 in 1995.

This has led to US fears that Airbus will seek to intensify its drive to win greater market share by offering sweetheart financing packages and pricing terms that breach last year's US-EC pact on civil aircraft sales.

"We expect that these types of creative mechanisms will proliferate," says Boeing's Mr Clarkson.

Airbus and its four partner companies — Aerospatiale of France, British Aerospace, Deutsche Aerospace, and Casa of Spain — have consistently argued that US manufacturers have benefited at least as much from direct and indirect support from their government. They also claim that US manufacturers, like Airbus, have long supplied financing to airline customers to win large orders.

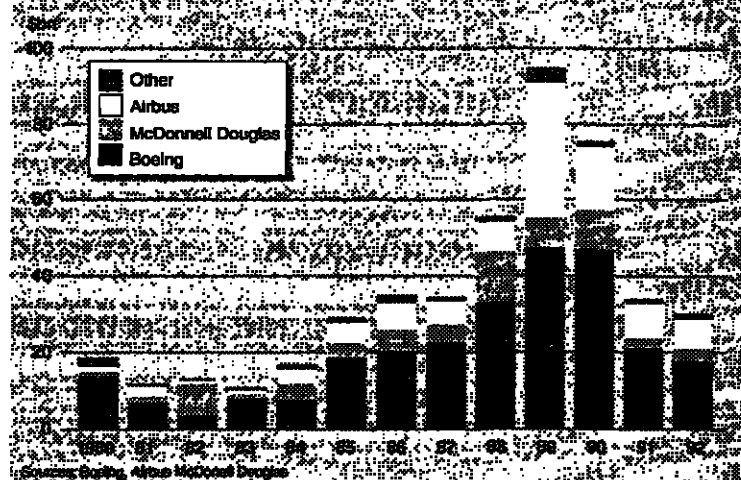
But for all the transatlantic sabre-rattling of the past few weeks, neither the manufacturers nor their respective governments appear anxious to precipitate a trade war over civil aircraft sales. "No one is about to launch a major new aircraft programme in this market and we are therefore not worried about development subsidies," Mr Clarkson explained. "What we want is for the agreement reached last year to be implemented so that we can finally get some visibility on the true financial situation

Take-off into turbulence



The Airbus A321

New commercial aircraft orders



of Airbus," he added.

To this end, the US administration has now asked for consultations with the EC to review and implement last year's agreement. President Clinton has also decided to establish a national commission to investigate the conditions and problems of the financially strapped US airline industry.

The proposal for a commission has been welcomed by the US manufacturers, who believe their most pressing problem is airline finances rather than Airbus subsidies. "Let's face it, the Europeans are simply not going to give up on Airbus, but the government could help airlines around the world with financing support to buy our products," said Mr John McDonnell, chairman of McDonnell Douglas. He was speaking last month at the roll-out of his company's new twin engine jet, the

MD90, a new derivative of McDonnell Douglas's long established DC9 and MD80 family of narrowbody jets which competes with the Airbus A320 and the Boeing 737.

Of the big three manufacturers, McDonnell Douglas is regarded as the most vulnerable. Many analysts believe the company could follow Lockheed and decide to pull out of the commercial aircraft business to concentrate exclusively on its defence operations. But Mr McDonnell and his senior executives insist that the company is not about to abandon its civil aircraft activities, which are based on Long Beach, California.

McDonnell's strategy has been to drive down costs aggressively and reduce production. The chairman said the company had refused to go after "bad business" simply to land orders and buy market share.

Ten-point plan for credibility



PERSONAL VIEW

The erosion of British national industrial strategy to embrace relevant aspects of economic policy, education, infrastructure, energy and investment. That requires sectoral focus and the establishment of priorities and quantified objectives for the short, medium and long term.

In the short term, during the next year, we must concentrate on creating the best "playing field" for our companies. The concept of Britain as the "Hong Kong of Europe" is compelling. That means continued deregulation, low taxation and the removal of unnecessary constraints. In this way we also eliminate many "non-value-adding" elements in company cost bases. The role of government should be to understand how it contributes to "non-value-added" and to seek constantly to eliminate non-productive processes and elements.

In the medium term, we must emulate the technological and manufacturing superiority of our principal competitor nations, notably Germany and Japan. Worldwide best

practice must take root in the UK. We must, as a matter of urgency, lay the foundations. An action plan now would include:

- Encourage investment with a return to 100 per cent first-year tax allowances and provide relief based on investment for those companies with an ACT burden.
- Identify priority sectors in a national technology plan and target with investment stimuli such as further tax incentives, R&D funding and other grants and concessions.
- Improve export credit arrangements to put British manufacturers at least on a level playing field with foreign competition and preferably ahead of the game.
- Devise new export incentives.

Mount a visible campaign to identify and eliminate official bureaucracy stifling our businesses.

Commence the culture change needed by giving more publicity, reward and acclaim to innovation and manufacturing success stories. Reform the honours system to recognise science and engineering more widely.

Set up craft training schools (fachhochschule) in main manufacturing centres to focus on skills and technologies in demand and train more young people.

Work with engineering representative bodies to raise the prestige of engineers and ensure training for graduate engineers is improved to compare with the best of other professions.

Encourage a longer-term view of investment in manufacturing, and particularly in advanced manufacturing technology, for example, by providing special tax incentives for equity investment in targeted priority sectors (if investment retained for specified periods) and by setting up a national manufacturing invest-

ment fund to make available low fixed interest, long-term funds for investment in priority sector projects (funds to be bid for with assessment criteria linked to a national technology plan).

Reform school curricula on science and technology and setting national priorities for R&D at universities.

In the long term, society must recognise that science and technology are the principal instigators of progress for prosperity. We need a vision of an elitist, technology-based society and a bold, innovative national technology plan with national goals to realise this potential.

Dr John Pendlebury and David Shipley

The authors, both manufacturing specialists, are respectively a management consultant and an accountant at Coopers & Lybrand

OBSERVER



I'm an air-drop spotter

Take no notice of Halifax if it says that size doesn't matter any more. Being the biggest was one of its few claims to fame.

Return business

Now that Sir Phil Harris doesn't have to worry any more about chairing his beloved Guy's hospital, he can get back to the serious business of making money on his return to the stock market.

This will please those who enjoyed observing, if not participating in, the progress of Harris Queensway up to its £450m leveraged takeover in 1988. His absence from the market has made

it a duller place. His old company survived only two years after Sir Phil sold out at a £70m profit, showing just what a canny salesman he is. Sir Phil insists the business would not have gone under if he had remained in charge. Ever positive, the 50-year-old is bursting with enthusiasm about Carpetright, the chain he plans to float this summer. Some things will be different though. He promises no takeovers, and he says people "will be surprised by the cleanliness of the accounts".

Even-handed

Whatever else one might think about Eddie George, the next Governor of the Bank of England, he is certainly a sound pair of hands when it comes to chairing a meeting.

Take yesterday's elegant affair in Tokyo which he was refereeing. The City of London side included some expensive stars like Sir David Walker, deputy chairman of Lloyds Bank, Warburg's Sir David Scholey, and Sir Andrew Hugh-Smith, chairman of the Stock Exchange. The home team was represented by Nomura's Yukio Aida and Daiwa's Toshitoki Chino, among others.

Interrupting such speakers, when in full flood, could risk an international financial incident. But George saved the day by letting them ramble on. "I have been monitoring the situation closely

and I can tell you the deficit was evenly spread," George summed up. "This reveals two things: the speakers are equally undisciplined, but only moderately so and they received the kind of understanding treatment people have come to expect from British regulators."

Polling for May

With their customary populist touch, foreign office mandarins are trying to repel efforts to replace May Day bank holiday with Trafalgar Day. Though the majority of those responding to the government's consultation exercise favour a new autumn holiday to coincide with schools' half-term, the FCO is wary of agreeing to October 21 for fear of reminding the French about the battle they lost nearly 200 years ago.

Though it could simply be called the Autumn Bank Holiday, that doesn't have quite the ring the government hoped for when it wanted to abolish the "socialist" May Day. Expect Tory backbenchers to settle for nothing less than "Nelson day" at the very least.

Not fare

Proof that the recession really will last for ever? A taxi-driver, pocketing a far-from-princely £2 after dropping a colleague at Waterloo station, bade him farewell with: "Thanks for the ride."

Style of corruption probe raises awkward questions about methods

Magistrates take heroes' role in Italian inquisition

By Robert Graham in Rome

AN OBSCURE television programme showing court cases has suddenly become mass viewing in Italy.

The producers hit on the idea of covering a case of municipal corruption in Milan with Mr Antonio Di Pietro, the high-profile investigative magistrate, as the prosecuting attorney. The case, now nearing its close, has attracted more than 6m viewers.

The programme's success derives from the mix of voyeurism at the pathetic figure of a municipal official, writhing under the accusations of corruption, and the satisfaction of seeing a confident interrogation by Mr Di Pietro as the triumphant prosecutor. As the nation is buffeted by the growing wave of corruption scandals, it needs heroes and villains.

The investigative magistrates, led by the team in Milan which began to lift the lid on corruption a year ago and which includes Mr Di Pietro, are undoubtedly heroes. But to what extent are they behaving correctly, and are they stigmatising those investigated as automatic villains?

Their critics have tended to be discounted because they are chiefly among the ranks of the accused like Mr Bettino Craxi, the former Socialist leader. However, the comportment of the magistrates raises awkward questions about their tactics and political motivation.

The investigative magistrate plays the role of a detective in an accusatory system of justice with powers of preventive detention. Any person about to be investigated has to be issued with a caution warning them of this *avviso*. The magistrates have

exploited an issue of the *avviso* as a form of public announcement of guilt. People like Mr Craxi have heard they are under investigation through the media, who in turn treat the *avviso* as a proof of magistrates possessing substantial evidence against the individual. The *avviso*, an instrument intended to protect citizens' rights, has thus become a form of accusation.

Magistrates can imprison a suspect for three months, renewable on request by the courts. Throughout the Milan corruption scandal there has been a clear correlation between the amount of time people spend in prison and their willingness to confess.

Mr Salvatore Ligresti, the financier and builder dubbed the "King of Milan concrete", spent 101 days in prison before he was released after talking of his role in pay-offs to politicians.

Mr Enzo Papi, managing director of Fiat's construction arm, Cogefar-Impretit, was in prison for 55 days before being released after a confession.

Mr Silvano Larini, the Milan architect who helped collect commissions for the Socialists, handed himself in last month after eight months on the run having done a deal with magistrates. He was home on bail within three days.

Milan's now notorious San Vittore prison, which houses most of those imprisoned, was built in 1879 to hold 800. Currently it has 2,040 and a further 80 in its clinic.

The lawyer of Mr Antonio Mosconi, the chief executive of Toro, Fiat's insurance arm, complained last week that his client, arrested on February 23, was sharing a cell with three others.

The magistrates argue they need preventive detention both to



High profile: Milan investigative magistrate Antonio Di Pietro has become a popular hero in televised anti-corruption trials

stop suspects leaving the country and stop people they are about to charge from talking to each other. At least three people are on the run, including the former head of Ferruzzi-Montedison, Mr Giuseppe Garofano, wanted for alleged involvement in pay-offs to the political parties.

It is not just the fact of preventive detention which has worried some of the victims - it is also the way the media is frequently tipped off to be present at arrests.

The media, working in a pool, is also used to filter information on interrogations which in theory are covered by secrecy. In the meantime, the person investigated has either no chance to reply or replies once the magistrates' version is already known. In the case of the Milan corrup-

tion scandal, the position of accused persons is complicated because so many people have confessed to either making or receiving bribes - close to 110.

The final issue of the magistrates' behaviour centres on the accusation that the investigation is politically motivated, aimed at decapitation of a corrupt politico-economic establishment. The Socialists believe they have been made particular victims, with their leadership in the front line. In private too Socialists wonder why the investigative net has not caught up with senior figures in the Christian Democrat party, which still controls much of Italy's power behind the scenes.

Moves on private pension funds buoy shares, Page 2

THE LEX COLUMN

Abbey's bad habit

Abbey National's £101m windfall from last year's share sale is a curse as well as a blessing. It has provided elegant camouflage for the cost of getting out of estate agency. Net exceptional debits for last year amount to only £37m, but the gross charge for restructuring the estate agency business was £138m. Factor in accumulated losses since 1988 and the total cost of this particular venture becomes £226m. That adds up to a gross strategic blunder which, sadly, Abbey now risks compounding. The timing of its windfall has encouraged it to put the agencies up for sale at what must be about the bottom of the market.

This is a poor advertisement for Abbey's strategic sense, especially since it coincides with growing provisions in Europe. Abbey has a deservedly high reputation as a mortgage bank. But, with the exception of the treasury business whose expansion has about run its course, its attempts to diversify have disappointed.

Perhaps insurance will prove otherwise. One must hope so since the mortgage business seems set for a lean 1993. The £82m general provision will help smooth the effect of the abnormally high net retail margin which Abbey enjoyed as interest rates came down in the second half of 1992. This year, provisions are likely to remain high while the net retail margin will be squeezed. Supporters will argue that the bank has plenty of scope for dividend growth. That is an old story, though, and already in the price.

Fisons

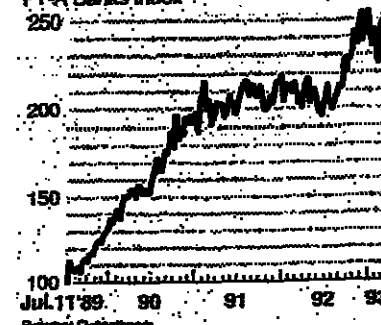
Fisons describes 1992 as a year of change. A shock collision with reality might be more accurate. The company may be trying to ditch its reputation for nasty surprises and inculcate a less complacent management attitude, but it cannot seem to shake off lingering uncertainties. It is not yet clear that the production difficulties which slowed sales and upset the US Food and Drug Administration have finally been solved. Fisons Opticrom treatment has still not been re-admitted to the US. Its cash cow, Intal, may face competition once its US patent expires in August. The prospects for its new drug Tladi are still muddy. Despite the fall in sterling, the company may have difficulty restoring margins on its scientific equipment business in a weak European market.

Small wonder, then, that no one has summoned up the nerve to bid for the

FT-SE Index: 2882.3 (-0.3)

Abbey National

Share price relative to the FT-SE Banks Index



company. Nor are they likely to, since Fisons has neither a gold mine of new compounds nor a steam roller sales force. Even the recovery potential seems pretty well discounted with a prospective 1993 rating which puts Fisons alongside Glaxo. To be fair, a 5.1 per cent yield does offer underpinning. The company is, however, likely to remain a niche player in pharmaceuticals. The delay caused by past management arrogance and shoddy production values seems to have closed the door on greater things indefinitely.

General Accident

So the gauntlet of Commercial Union's rights issue has not been taken up by General Accident. Sterling's exit from the ERM must take some credit. With a substantial portfolio of shareholders funds parked in dollar assets, a devalued sterling has been a prop for GA's balance sheet. Rising stock and bond markets have equally offered timely capital gains. That, and some judicious use of preference capital, has produced a comfortable solvency ratio of 46 per cent without recourse to shareholders.

But yesterday's £110m preference issue does not plug the hole in the balance sheet created by another uncut, uncovered dividend. Although GA could raise more preference capital this year, that can only be taken so far. Since further currency and investment gains cannot be taken for granted, premium growth will ultimately require backing from retained earnings or a rights issue. Yesterday's figures reveal GA's ambition: UK premiums grew at an annual rate of 25

per cent in the fourth quarter, albeit boosted by a block of business taken from Municipal & Mutual.

With £1.3bn annual premium income in the UK and its chain of 400 estate agencies, GA looks geared to an upturn. Given another respectable result in Asia and a fair wind in the US - literally, given the damage caused by Hurricane Andrew - the 1993 dividend could be covered for the first time in four years. But there is little margin for error.

PolyGram

Comparisons of stock market values often highlight anomalies. That between the PolyGram music business and its 80 per cent shareholder, Philips, looks decidedly bizarre. Last year, PolyGram's market value overtook Philips' on the Dutch stock exchange. At its current value of £1.79bn, PolyGram is worth 1.2 times more than its parent company. Philips' stake in PolyGram is equivalent to some 96 per cent of its own stock market worth. That suggests the market values the rest of the £1.57bn turnover company at just £1.25bn. Great as Philips' problems are, that seems to be extreme.

The obvious conclusion is that Philips should realise considerable shareholder value by fully demerging PolyGram as Rascal did with Vodafone. It has long resisted the urge. But the pressure to do so may grow as the divergence in performance between the two companies seems set to widen. Yesterday, PolyGram recorded a 13 per cent increase in net income. With its sound balance sheet and strong marketing positions, it confidently predicted further growth. Tomorrow, Philips is expected to unveil dire annual results. Its recovery potential looks limited.

UK economy

It is always difficult to make much sense of the UK reserves data. Still, a small underlying fall for the second month in a row suggests that exchange market intervention last September may have been smaller than originally thought. Either that or the Bank has bought back some currency in the market since then. Whatever the case, the upshot is that the contribution to this quarter's PSBR funding from intervention must be scaled back. But since the deficit may well be less than the £37bn forecast in the Autumn Statement, the authorities still have a chance of starting 1993-94 with some funding in the bag.

Polyglot computer to learn your name

Della Bradshaw on an electronic answer to the Babel of European names

A "SPEAKING" computer that can read the most difficult European names and addresses and pronounce them to the satisfaction of the most punctilious local should emerge within the next two years.

The European pronunciation dictionary, which will decide how to say the most commonly used surnames, street names and town and city names in eight European countries, is being funded by the European Commission to the tune of £2m (£820,000).

The two-year Onomastica project is intended to do more than alleviate the frustration of people with names such as Mainwaring or St John or places such as Cholmondeley, all of which are not pronounced according to English phonetic rules.

Its aim is to produce pronunciation dictionaries for the 1m

most commonly used names in the UK, Denmark, the Netherlands, France, Germany, Greece, Italy, Portugal and Spain.

"We're filling in the gap in the dictionary," says Professor Mervyn Jack of the Centre for Speech Technology Research at Edinburgh University, which is co-ordinating the project.

Researchers believe the completed electronic dictionary could be used in conjunction with existing text-to-speech technology to enable recorded announcements to be read from a computer screen or piece of paper.

Eventually it could be combined with speech recognition technology to make telephone directory inquiry services completely automatic.

Converting the names into spoken form has two stages: the written text is divided into indi-

vidual sound elements, which are then converted into an audible synthetic voice.

Researchers in Edinburgh, working on the English dictionary, have decided to take pairs of sound elements together because it is often the transition between the two sounds that gives spoken English its characteristics.

Although the text-to-speech conversion uses the latest technology, gathering the data is a laborious process. The institutions involved will each begin with a list of the 1m most commonly used names, supplied by the local telephone company, and then find out how each is pronounced.

In the UK, individuals, including children in primary schools, will be asked to contribute to the research by pronouncing their

names to a tape recorder. A phone line is even being set up to persuade those with unusual names to phone up and enunciate them.

This should take 18 months, after which each country will exchange information on the most commonly used of the 8m words. Then researchers in, say, France, will be able to tell German researchers how a British citizen would be likely to pronounce German place names. Professor Jack acknowledges that this is just the beginning. "It's the richness of the coverage which poses the biggest question mark," he admits. As a result it could still be some time before the technology can work out how to pronounce the names of the smallest Welsh village, "pronounced 'manmering', 'sin-jun' and 'chummley'".

BP chief calls for reduction in German petrochemical output

By Paul Abrahams in London

PRICES and demand for petrochemicals and plastics in Germany "fell off the edge of a cliff" in the last quarter of 1992, according to Mr Bryan Sanderson, chief executive of BP Chemicals, the UK group.

A 13 per cent fall in manufacturing output between November and December fed straight through to the plastics industry, said Mr Sanderson.

"The downturn was quick and unexpected," he went on to say. "Margins for ethylene are the worst since 1982. Manufacturers are losing hundreds of millions of dollars."

Mr Sanderson called for urgent rationalisation of the European petrochemical industry. At least three and possibly four ethylene

plants needed to be closed, he said, and three plastics plants mothballed if the industry was to return to profitability.

"The Germans are in the wrong place for petrochemicals and polymers manufacturing," said Mr Sanderson. German producers were disadvantaged by the high D-Mark, environmental costs, excessive wage and social costs, and a high level of absenteeism, he explained.

"German manufacturers used to compensate for their natural disadvantages by being the most efficient producers. That's no longer possible. It's very difficult to be optimistic about the German economy over the next couple of years," he said.

Even before last October, petrochemical and plastics prices had been poor, said Mr Sanderson.

son. But between the third and fourth quarter last year ethylene prices had fallen from DM700 (\$421.6) a tonne to DM625. Propylene prices had dropped from DM500 to DM430 over the same period. The first quarter of 1993 had not been much better, he added.

"Cutting production is the rational thing to do and we will play a part in that. BP Chemicals prepared to make sacrifices," said Mr Sanderson. He added that the company was continuing to discuss possible alliances.

The three German chemical giants, Bayer, BASF and Hoechst, report their full-year results this month. BASF and Hoechst are expected to cut their dividends following poor figures.

Sharp fall in demand, Page 3

Hundreds die in Cerska

Continued from Page 1

aeroplanes, said two parcels of medical supplies were found in the snowy hills around Zepa.

The target of the first US air drop of food and medical relief, Cerska has been besieged since Serb forces backed by the Yugoslav army killed and drove out hundreds of thousands of Moslems from eastern Bosnia.

After the formal withdrawal of the army, which left the bulk of its equipment and forces in Bosnia, the self-styled Serb republic controlled most of the region except a handful of Bosnian government strongholds. Cerska was the most vulnerable community, housing some 6,000 Moslems.

In New York, UN and EC negotiators strongly deplored the fighting and in a joint statement, Mr Cyrus Vance and Lord Owen also deplored the fact that land relief convoys were still blocked.

SEIZING OPPORTUNITIES in the debt markets requires a partner with global experience.

<p>This announcement appears as a matter of record only.</p> <p>February 1993</p> <p>The Kingdom of Denmark</p> <p>U.S. \$1,000,000,000 5% Notes due 1998</p> <p>Lehman Brothers International</p>	<p>This announcement appears as a matter of record only.</p> <p>May 1992</p> <p>Kingdom of Spain</p> <p>ECU 250,000,000 Euro-Medium Term Notes</p> <p>Lehman Brothers International</p>	<p>This announcement appears as a matter of record only.</p> <p>July 1992</p> <p>Panasonic/Technics</p> <p>Panasonic/Technics Matsushita Electric Industrial Co., Ltd.</p> <p>U.S. \$1,000,000,000 7.25% Bonds due August 2002</p> <p>Lehman Brothers International</p>
<p>This announcement appears as a matter of record only.</p> <p>October 1992</p> <p>Toyota Motor Finance (Netherlands) B.V.</p> <p>U.S. \$250,000,000 5% Notes due October 1995</p> <p>Lehman Brothers International</p>	<p>This announcement appears as a matter of record only.</p> <p>November 1992</p> <p>Asian Development Bank</p> <p>U.S. \$300,000,000 6.125% Bonds due 1997</p> <p>Lehman Brothers International</p>	<p>This announcement appears as a matter of record only.</p> <p>November 1992</p> <p>International Bank for Reconstruction and Development</p> <p>Floating Rate Notes due November 2002</p> <p>Lehman Brothers International</p>

As these transactions demonstrate, issuing debt successfully in today's global marketplace depends on the experience of your partner in local markets, world-wide. Now, more than ever before, issuers and investors alike face growing uncertainty in fixed income markets. The sheer volume and complexity of offerings, added to daily fluctuations in currencies, intensifies the need for comprehensive and timely data and market intelligence: the kind we provide to our clients across the continent and around the world.

IN-DEPTH, INDEPENDENT ASSESSMENTS OF THE MARKETPLACE.

As a major market maker with offices in 35 key cities around the world, 10 within Europe, we offer clients the widest range of products available in the broadest range of markets, maturities and currencies. Our continuous contact with issuers and investors world-wide, means we are strategically positioned to interpret market information effectively and advise issuers on the best structure

and pricing of an offering. Today, Lehman Brothers indices are recognized as the industry standard for portfolio performance measurement. To take an integrated approach when problem solving, we tap the resources of our entire firm in corporate finance, sales, trading and research. Only then can we develop the most appropriate solution for each client.

WORLD-CLASS DISTRIBUTION WORLD-WIDE.

Our global salesforce, with access to the world's institutional and individual investors, can place an offering quickly and smoothly. In just the past year, we lead managed U.S. \$7,000,000,000 in European debt markets for clients world-wide. While such volume alone would ensure liquidity for our clients, Lehman Brothers is also a major trader in the active after-market for issues. Our success comes solely from serving the needs of our clients. If you are interested in exploring opportunities in fixed income, we are ready to work with you.

LEHMAN BROTHERS INTERNATIONAL

Lehman Brothers International (Europe) is a member of SFA. Lehman Brothers is a division of Shearson Lehman Brothers Inc.

World Weather		°C °F		°C °F		°C °F		°C °F		°C °F		°C °F		°C °F	
Alacort	F	8	46	Buenos Aires	F	24	75	Glasgow	R	3	37	Madrid	F	12	54
Amsterdam	F	10	50	Cairo	S	25	77	Helsinki	S	-3	27	Moscow	F	12	54
Antwerp	F	9	48	Cape Town	F	24	75	Hong Kong	F	17	63	Mumbai	F	29	84
Athens	S	15	59	Caracas	F	24	75	Innsbruck	F	3	37	Nairobi	F	12	54
Bahran	S	23	73	Casablanca	F	13	55	Inverness	F	3	37	Manila	F	29	84
Bangkok	C	32	90	Chicago	F	1	34	Islandia	F	22	72	Medan	F	29	84
Barcelona	F	14	57	Cologne	F	9	48	Islandia	F	22	72	Montevideo	F	12	54
Beijing	S	11	52	Copenhagen	F	0	32	Jakarta	R	32	90	Moscow	F	12	54
Berlin	S	25	77	Cebu	F	14	57	Johnsburg	C	18	64	Mumbai	F	29	84
Bombay	F	29	84	Dallas	F	5	41	London	F	10	50	Nassau	C	23	73
Bordeaux	F	18	64	Dublin	C	4	39	Los Angeles	S	10	50	New Delhi	S	23	73
				Dubrovnik	C	4	39	Luxembourg	C	4	39	New York	S	1	34
				Edinburgh	F	15	59	Madrid	F	18	64	Nice	R	7	45
				Florence	F	15	59	Manila	F	22	72	Taipei	F	21	69
								Medan	F	29	84	Tel Aviv	F	31	88

هنگام الظهیر

EXCELLENCE
0767 40111

Fair pay
intrum justitia
THE EUROPEAN ENTRY 1993-94
WHITBREAD ROUNDED THE WORLD RACE

FINANCIAL TIMES COMPANIES & MARKETS

© THE FINANCIAL TIMES LIMITED 1993

Wednesday March 3 1993

IMI
for building products, drinks dispense,
fluid power, special engineering.
IMI plc, Birmingham, England.

INSIDE

Iberian banks in share swap

Banco Central Hispanoamericano has joined the push by Spanish banks into Portugal through a share swap with Banco Comercial Portugues. The operation is thought to be the biggest share exchange between Spanish and Portuguese institutions. Page 18

Fisons falls 24%

Fisons, the scientific instruments and drugs group, reported pre-tax profits for the year to December 31 down 24 per cent from £182.6m to £138.6m (£175.5m). Page 22

Judgment on Australian mines

Eddie Mabo is the best known name in Australian mining circles. Mr Mabo, an aboriginal activist who died last year, gave his name to a historic judgment by Australia's High Court which many mining companies claim is a threat to the future of the resources industry. Page 24

Sales of Korean cars rise

Although South Korea's main carmakers saw rising sales last year, they reported falling profits or losses. The drop in earnings reflected higher financial costs as the carmakers offered low-interest consumer loans to revive sluggish domestic demand. Page 18

Bangkok misses 1,000 barrier

A month ago, the Stock Exchange of Thailand index seemed poised to break through the 1,000-point barrier. In the past few weeks, however, one bad news item after another has forced the index down. "It's funny how quickly a market can lose 10 per cent," said one stockbroker in Bangkok yesterday. Back Page

British Gas in eurobond issue

British Gas raised £400m (£568m) in the international bond market yesterday, joining the growing number of UK companies seeking to secure long-term borrowings at the lowest interest rates since the 1970s. The utility launched two eurobond issues, each of £200m, one with a maturity of seven years and the other with a life of 10 years. Page 20

Market Statistics

Base lending rate	32	London share price	25-27
Base rate	32	London equity options	28
Base rate	32	London futures, options	28
Base rate	32	Managed fund service	28-32
Base rate	32	Money market	28
Base rate	32	New int. bond issues	28
Base rate	32	New int. bond issues	28
Base rate	32	New int. bond issues	28
Base rate	32	New int. bond issues	28
Base rate	32	New int. bond issues	28

Companies in this issue

AT&T	17	High Income Tet	21
Abbey National	23	Howard Smith	18
Aberdeen Petroleum	22	Hyundai Motor	18
Alliance Resources	9	Insatran	21
Allied Irish Banks	22	K mart	17
Asia Motors	18	KLM	16
Austrian Airlines	18	Kia Motors	18
BCH	18	Kongsberg Offshore	17
BHP	16	MCC	17
BP	15	Merrill Corp	17
Bellco	22	Morgan Stanley	15
Banesto	21	Mutual & Federal	18
Bilham (J)	16	NWA	17
British Resources	22	Nissan	7
Burnfield	22	Nomura Securities	18
Carpentier	23	Norex	23
Cable Allen Lloyd's	15	Norsk Data	15
Cargreave	16	Norsk Skog	16
Charterhouse Tilney	21	Pacer	21
Cincinnati Milacron	17	Paramount	22
DFDS	16	Pitco	21
Deere & Co	16	Pilot Inv-Trust	21
Fisons	22	Polygram	16
Fokus Bank	22	Provident Financial	21
Förderungsbanken	17	RJR Nabisco	1
GKN	21	Raine	21
General Accident	22	Royal Bank of Canada	17
Generale	21	SAS	16
Graham's Rintoul	22	Serco	21
Greencore	22	Sinclair (William)	22
Halifax Bld Society	22	Ssangyong Motor	18
Heraeus	16	Swissair	16
Harrington Kilbride	22	Vivac	22
Hays	21	WMC	15
Hewlett-Packard	17	Yukong	18

Chief price changes yesterday

FRANKFURT (DM)	PARIS (FF)
AG Ind & Vert	18
Alcatel	18
Alcatel	18
Alcatel	18
Alcatel	18
Alcatel	18
Alcatel	18
Alcatel	18
Alcatel	18
Alcatel	18
Alcatel	18

New York prices at 12:30

LONDON (Pence)	AMSTERDAM (Guilder)
AG Ind & Vert	177
Alcatel	177
Alcatel	177
Alcatel	177
Alcatel	177
Alcatel	177
Alcatel	177
Alcatel	177
Alcatel	177
Alcatel	177

Australian group buys BP stake in mine

By Kevin Brown in Sydney and Deborah Hargreaves in London

BRITISH Petroleum has agreed to sell its 49 per cent interest in its Olympic Dam mining project in South Australia to Western Mining Corporation, the Australian resource group, for US\$440m. The agreement follows Western Mining's decision to exercise its option to acquire the stake.

WMC, which owns 51 per cent of Olympic Dam, had until yesterday to decide whether to match a similar offer from Minero, the overseas investment arm of the Anglo-American Corporation-De Beers group of South Africa.

The deal to sell the mining project, which includes 450m tonnes of copper, uranium, gold and silver deposits, will take BP out of minerals mining, although it will retain a 50 per cent stake in an Indonesian coal mine.

WMC said its total outlay would be \$430m after paying \$190m to BP to buy out loans worth \$273m. It said debt would increase by only \$157m because most of the cost would be financed from existing resources.

WMC said it was reconsidering a modest expansion to 84,000 tonnes of copper and 1,500 tonnes of uranium oxide over the next three years at a cost of \$475m (US\$51m).

A bigger expansion programme, expected to cost between \$600m and \$750m, was unlikely to proceed until later in the decade unless there was a big rise in uranium prices.

WMC said it expected net debt to increase from zero to about \$450m by 1993-94, equivalent to 20 per cent of equity. "No equity issue is contemplated or will be required," the board said.

Olympic Dam is one of the world's largest deposits of precious minerals, and one of only two operating uranium mines in Australia. As well as copper and uranium oxide, it produces about 32,000 ounces of gold and 400,000 ounces of silver a year.

WMC reported a net profit of \$119m on its Olympic Dam investment in 1991-92, on revenue of \$130m. The group's 51 per cent of Olympic Dam stake is valued in its books at \$445m.

BP has been trying to sell its Olympic Dam stake since 1989, when it sold most of its minerals operations to Rio Tinto Zinc, the UK resources group. RTZ agreed to pay about \$480m for the Olympic Dam stake, but was blocked by legal action by WMC.

Martin Dickson reports on the rise of US shareholder activism Ballot box crusaders ride out

Corporate under-performers of the world beware - the Americans are coming. US institutional investors, having stirred up corporate America over the past five years with demands for better-run businesses and more accountable managements, are beginning to flex their muscles in the other leading western economies.

After years of passive investment abroad, they are starting to vote their shares (known in the US as "proxy") at foreign companies' annual meetings - sometimes casting them against the incumbent management.

Foremost foreign crusader is the California Public Employees Retirement System, the largest public pension fund in the US and one of the most powerful leaders of the domestic corporate governance movement.

In December it sent shock waves through German boardrooms when it backed a proposal submitted by a German shareholder association to the annual meeting of RWE, the energy conglomerate. This called for one-share, one-vote in place of the RWE system that gave a majority of votes to a minority of shareholders.

A Calpers representative delivered a speech declaring that it was naive for German companies to maintain voting restrictions and still expect to retain access to international capital markets.

In France two months earlier, Calpers had led an unsuccessful protest against voting giant BSN's move to limit the rights of large investors.

Confrontations such as these are still unusual, but look like becoming increasingly common. A survey of US institutions released last month by the Investor Responsibility Research Centre, a non-profit-making Washington information service, found some larger ones "gearing up to take shareholder activism worldwide in 1993".

Whether they will get results is another matter, although Mr Geoffrey Mazullo, of Washington-based Institutional Shareholder Services, which advises US investors on proxy voting, points out that the RWE protest is already having a knock-on effect. A German shareholder activist has tabled a resolution for the annual meeting of electronics giant Siemens on March 11, which calls for the abolition of special voting rights for the Siemens family and specifically mentions Calpers' RWE stake.

A substantial number of experts believe a shortage of global capital, combined with the sheer size of the potential US investment pool, will make foreign companies particularly sensitive to US institutional views.



The result could be to move the disparate corporate governance practices of continental Europe and Japan much closer to the Anglo-Saxon models of the US and UK.

Why are US institutions rallying abroad now? The main reason is that US equity investment overseas is growing rapidly. "With more than \$250bn of international stocks at stake, US shareholders are saying they can't afford to ignore the hazards of different corporate governance practices abroad," says IRR's Mr Stephen Davis.

US Department of Labor guidelines also place a fiduciary obligation on the part of many institutions to vote their proxies, although it remains unclear to what extent this covers foreign as well as US shareholdings.

However, until recently it was difficult for US shareholders to vote in many foreign countries, even if they wanted to, because it was hard to get information about proxy issues in good time or to vote without running up costs, which made the exercise of dubious financial value.

But over the past few years global custodian banks, whose local affiliates are the holders of

records for clients' shares, have been putting much greater effort into obtaining voting material, translating it into English and then taking responsibility for executing votes.

For example, TIAA-CREF, the largest US pension fund, made a special drive last year to vote in Japan, even though local companies make proxy materials available only in Japanese and send them out just two weeks before the one day in June when a huge number of Japanese annual meetings are held simultaneously.

Helped by its custodians, Bankers Trust and Bank of Tokyo, the

governance service a year ago which provides voting guidelines on more than 2,000 shareholder meetings around the globe and can co-ordinate the execution of votes with custodians.

At ISS's annual proxy conference, held in Washington last week, a whole workshop was devoted to global voting and the issues likely to be most important in each country this year.

Increasing US interest was underlined by the IRR survey, which showed institutions voting 40 per cent of their non-US stock in 1992, up from 24 per cent the previous year.

However, voting stock does not necessarily mean opposing management - and most US investors who bother to cast ballots abroad support boardroom positions most of the time.

Where they have taken issue is on certain specific questions, such as restrictions on shareholder voting rights in Germany and introduction of anti-takeover devices in France.

These are the kind of basic issues on which the corporate governance movement cut its teeth in the US in the late 1980s. However, in its home territory the movement has now moved on to analysing individual companies' financial performance and pressing for management change when this is warranted.

Mr Mazullo of ISS thinks US investors will eventually take a similar approach to foreign stocks, although not for some time.

In many countries, he says, "We're still trying to get very basic types of disclosure, and without that information you can't make those calculations."

Maxwell used Liechtenstein trusts to bolster MCC profits

By Paul Taylor in London

INVESTIGATORS unravelling the affairs of Maxwell Communications Corporation have discovered a series of complex property deals involving Liechtenstein trust companies which were used by the late Mr Robert Maxwell to bolster profits at the insolvent publishing company.

This shows for the first time that Mr Maxwell was under severe financial pressure as early as 1990. He apparently resorted to bogus foreign exchange transactions and inflated property deals to generate substantial paper profits for MCC. Previously it was thought that the pressure built up in 1991, forcing him to raid company pension funds in the months before his death in November 1991, after which his business empire collapsed.

Investigators from the litigation and special investigation services unit at Price Waterhouse, administrators to MCC, have discovered a number of transactions in which MCC sold property assets to a Liechtenstein trust company shortly before the end of a financial reporting period, and then posted a profit on the disposals, even though full payment was deferred.

In a typical transaction the Liechtenstein trust would subsequently transfer the property to one of Mr Maxwell's private companies, which then used the assets as security for new loans. On the basis of three transactions the investigators believe MCC is still owed at least £26.5m (\$38m).

The administrators have also submitted substantial insurance claims under policies taken out by MCC. The biggest claims, 18 in

total, have been made under the group's "Fidelity Policy" which provides an indemnity up to £50m for any one loss, subject to a limit of £50m per employee in the 1991 policy year. The underwriters dispute all the claims.

Overall, the administrators estimate that after administration costs of £43.2m, but excluding up to \$300m of further claims, they will recover between \$781m and \$1.364bn. This would provide creditors with between 22 per cent and 48 per cent of the more than \$2bn they are owed. If all recovery actions were successful the payout could be lifted by up to a further 9 percentage points.

Mr Mark Homan, senior joint administrator, said yesterday investigators may uncover more allegedly false transactions in MCC's foreign exchange dealings.

Change at top of Morgan Stanley

By Patrick Harverson in New York

MORGAN Stanley, the Wall Street securities house, announced yesterday that Mr Robert Greenhill will step down as the firm's president this summer to concentrate on his work as an adviser on client transactions.

Mr John Mack, head of Morgan Stanley's operating committee which oversees the day-to-day running of the firm, will become the new president on June 10, when the company holds its annual general meeting. Mr Greenhill will remain on the board of directors.

Mr Richard Fisher, Morgan Stanley's chairman, said the changes at the top would not affect either the firm's business

strategy or management style. Along with Mr Fisher, Mr Greenhill and Mr Mack have held the management reins at Morgan Stanley for several years.

In recent years, however, Mr Greenhill's role as president, with its management and administrative responsibilities, has clashed with his work as a deal-maker and adviser to Morgan Stanley's biggest clients, which kept him away from the firm's New York head office for long stretches of time.

In the past year alone, Mr Greenhill has taken the lead role in advising General Motors on its several billion-dollar stock issues; worked with RJR Nabisco on its plan to sell shares in its worldwide food business (a plan that was formally unveiled yesterday); and advised International Business Machines, the troubled computer company, on its massive restructuring.

Mr Greenhill said that after he steps down as president in June he will devote most of his attention to working with these and other clients.

He will not, however, necessarily be working full-time at Morgan Stanley.

Mr Greenhill hinted that some of his time will be spent on personal interests.

His replacement as president, Mr Mack, has been with the firm since 1972.

He became a managing director in 1979, took charge of the fixed income division in 1987 and was appointed head of the newly formed operating committee last year.

Norsk Data shares delisted

By Karen Fossil in Oslo

SHARES in Norsk Data, the troubled Norwegian computer service group, will be delisted for up to two months as urgent debt-restructuring talks continue.

Norsk Data has estimated debt of Nkr5,650m (\$82.75m), plus an outstanding Nkr350m German bearer bond programme. The Oslo bourse said it was unclear what implications a debt-restructuring solution would have for Norsk Data's share capital and ownership structure. The group has returned losses for the past five years. During 1991 losses totalled Nkr610m against losses of Nkr134m in the previous 12 months.

Trading in Norsk Data was suspended three weeks ago when the group said it hoped to conclude talks with creditors by yesterday. Norsk Data is listed in Oslo, London and New York and its shares are traded, in the form of depository receipts, in Stockholm, Copenhagen, Frankfurt and Hamburg.

"Norsk Data and the main financial creditors have reached a common understanding concerning the... long-term debt situation. A final agreement offering a dividend to all creditors is expected to be formalised before the end of March," the company said.

Mr Carl Espen Wollbekk, senior vice-president treasury, expressed optimism that a deal would be concluded with Norsk Data's creditors by the end of the month. He said once the deal is formalised, Norsk Data could publish its 1992 result. It had been due yesterday.

Norsk Data reported that Nordic Data, a holding company established September 1991 which has the same corporate management as Norsk Data, had achieved a 1992 profit of Nkr92m on turnover of Nkr806m.

Nordic Data's assets were put at Nkr547m at the end of 1992 and total equity at Nkr260m, corresponding to an equity-to-debt ratio of 48 per cent.

"The Nordic Data group has approximately 850 employees and the long-term strategy is to further develop the group within the profitable segments of the computer service business. Nordic Data's strong financial position will be a guarantee for future long-term business relationships," it said. Mr Wollbekk said Nordic Data's figures were reported in an effort to calm the market about the temporary delisting.

This announcement appears as a matter of record only.

£57,900,000
Acquisition
of
Goldsborough
THE COMPLETE PRIVATE CARE SERVICE
Hospitals • Homecare • Care Homes • Close Care

£25 million equity structured and arranged by

NATWEST VENTURES
NatWest Markets

Equity provided by:
NatWest Ventures Kunick PLC

Debt provided by:
Midland Bank plc
Bank of Scotland
National Westminster Bank plc

NATWEST VENTURES
NatWest Markets

135 Bishopsgate
London EC2M 3UR
Telephone 071-548 5416

National Westminster Bank
NatWest Ventures Limited ■ A member of IMRO.

INTERNATIONAL COMPANIES AND FINANCE

Spanish and Portuguese banks in share exchange

By Peter Bruce in Madrid and Peter Wise in Lisbon

SPAIN'S Banco Central Hispanoamericano has joined the push by Spanish banks into Portugal through a share swap with Banco Comercial Portugues.

Under the agreement announced yesterday, BCH has taken 10 per cent of BCP which, in turn, has taken 2 per cent of BCH and 50 per cent of Banco Banif Gestao Privada, a BCH "boutique" bank that caters for wealthy clients.

The operation is thought to be the biggest share exchange between Spanish and Portuguese institutions.

BCH bought 9.14m shares in BCP at Esc2,500 each while BCP acquired 3.4m BCN shares at Monday's closing price in Madrid of Pta3,300.

The agreement also marks the boldest advance made by a Portuguese bank into Spanish territory.

Mr Jorge Jardim Gonçalves, BCP chairman, is likely to be given a seat on the BCH board next month.

BCH, Spain's biggest bank in terms of assets, and BCP said they were looking forward to "long term co-operation" and that they "share a similar philosophy of performance both in the Portuguese and Spanish markets."

BCH's particular interest is to enter high net-worth private banking in Spain through Banif.

BCH has been the success story of Portuguese banking since it was founded in 1985 by a group of northern businessmen. It has since become the country's fourth-largest bank in terms of assets.

In 1990, it linked up with Cariplo, the Italian savings bank, to develop mortgage lending in Portugal and in 1991 it joined forces with Spain's Banco Popular to establish a

bank in France - Banco Popular Comercial - to service Iberian expatriates in France.

Only one other Portuguese bank has made a sizeable acquisition in Spain - last year the state-owned Caixa General de Depositos, the country's biggest bank, bought and merged Banco Luso-Espanol and Banco de Extremadura.

Spanish intrusions into Portugal have been heavier. Banesto now controls Banco Totta e Acores, Portugal's biggest private bank, while Banco Bilbao Vizcaya recently acquired Lloyd's Banks extensive Portuguese operations.

It is not clear whether BCP plans to use its BCP stake merely as a source of dividends or whether it will try to operate in some way in Portugal through the BCP association. BCH has just reported a dramatic 22 per cent fall in net profits last year, to Pta52.6bn.

Banesto net slides 62% on back of increased provisions

By Peter Bruce in Madrid

BANESTO, one of Spain's "big six" commercial banks, yesterday announced a 62 per cent fall, to Pta18.3bn (\$180m), in net group profits for 1992, following an erosion of extraordinary earnings and increased provisions.

The figures include Banesto's industrial holding group, Corporacion Banesto. Extraordinary earnings, which Banesto usually generates through disposals, fell from Pta 51.6bn to an extraordinary loss of Pta 1.56bn.

The group also increased provisions by 19 per cent to Pta97.5bn.

The results were largely expected in the markets, which, despite some criticism of Banesto's rush for retail business in the last two years, have also expressed satisfaction with the group's conservative provisioning as a deepening recession in Spain pushes bad debts to record levels.

Even the fall in extraordinary earnings invites conflicting responses. Some analysts believe the bank should reduce its traditional reliance on non-core income.

Other analysts believe the income that Banesto is able to generate from sales of its banking or industrial assets is vital to the bank maintaining its profile among foreign investors.

The group's operating margin grew by 14 per cent to Pta228.4bn and it said that total assets had increased by 5.41 per cent to Pta6,960bn. The group held the rise in operating costs to under 8 per cent.

The results come as Banesto is poised to make a \$400m rights issue soon as the pinnacle of an ambitious capital raising programme.

The bank has received an important boost from JP Morgan, which has agreed to participate in the rights issue and has recently produced highly complimentary opinions about Banesto.

Norske Skog in first fall into red

By Karen Fossli in Oslo

NORSKE Skogindustrier, Norway's biggest pulp and paper producer, yesterday unveiled its first annual loss, and warned of up to 450 further job cuts as part of a programme to reduce costs by Nkr200m (\$20m).

Norske Skog reported a 1992 pre-tax loss of Nkr662m against a profit of Nkr480m in 1991 and will not pay a dividend after paying Nkr2 a share a year earlier.

The weak performance was

due to foreign currency losses on loans, restructuring costs and a Nkr191m loss suffered by Papeteries de Golbey, a French newsprint mill of which the company owns 49 per cent.

Norske Skog's A shares closed down Nkr1.50 at Nkr35 in Oslo.

"The international forest products industry is experiencing the longest and deepest recession since 1945," Norske Skog said, adding that there was a sharp fall in prices for most of its main products.

Group sales fell to Nkr7.83bn last year from Nkr8.97bn in 1991, but operating costs were cut to Nkr7.10bn from Nkr7.79bn. Norske Skog charged 1992 accounts with Nkr200m for restructuring, against a charge of Nkr130m in 1991. Minority interests in affiliated companies showed a loss of Nkr183m last year, against a profit of Nkr23m in 1991. Net financial items of Nkr432m were charged against 1992 accounts, compared with Nkr143m in 1991.

Norske Skog posted a

Nkr228m unrealised foreign exchange loss on loans, and said that Nkr160m could be attributed to December's devaluation of the krone. In sharp contrast, the group achieved a Nkr80m foreign currency gain in 1991. The group plunged into an operating loss of Nkr47m in 1992, against a profit of Nkr500m in 1991.

Mr Arnfinn Hofstad, Norske Skog chief executive, issued a cautiously optimistic view for the group's prospects in 1993, but nevertheless warned the result this year would be poor.

Generali lifts annual premium income by 53% to L17,000bn

By Haig Simonian in Milan

AGGREGATE premium income at Generali, Italy's biggest insurance company, surged by 53.6 per cent to almost L17,000bn (\$10.86bn) last year, against L10,964bn in 1991, due to the weaker lira and a big new Spanish venture.

Adjusted for currency factors and the new venture, aggregate premiums rose by 14.9 per cent, the company said.

The preliminary figures come as Generali shares rose sharply on the Milan stock exchange following Monday's decision by the Italian

government to open the door to the creation of private pension funds, which are expected to boost sharply the profits of the country's leading insurers.

Generali gave no indications of its net profits or dividend for 1992, which will only be revealed after a board meeting in early May. In 1991, group net earnings before minority interests rose to L672.2bn.

The company did not say how its growing Spanish activities, through a joint venture with Banco Central Hispanoamericano, were progressing. Last year, Generali said it aimed to

secure at least a 10 per cent share of the Spanish insurance market.

Premiums on directly written Italian business rose to L4,070bn last year, with an 11.9 per cent increase to L1,496bn on the life side and a rise of 7.6 per cent to L2,574 in non-life business.

Directly-written foreign business jumped by 37.6 per cent to L1,651bn, due partly to the weaker lira. Adjusted for currency factors, the increase was 20.4 per cent.

Indirectly-written business climbed by 21 per cent (17.7 per cent on an adjusted basis) to L2,768bn.

Polygram posts 13% advance

By Michael Skapinker, Leisure Industries Correspondent

POLYGRAM, the music company which is 80 per cent owned by Philips of the Netherlands, reported net income up 13 per cent to F1506m (\$273.3m) in 1992, with a strong US performance offsetting a downturn in most of Europe, Japan and Brazil.

Net sales were up 5 per cent to F16.6bn, with popular music accounting for 69 per cent of revenues compared with 70 per cent in 1991. Classical music accounted for only 14 per cent of revenues last year, compared with 17 per cent in 1991.

Film accounted for 8 per cent of revenues last year, compared with 5 per cent in 1991. PolyGram last year paid \$35m for a 51 per cent stake in the film producer Interscope. It also purchased the 51 per cent it did not already own of Propaganda Films.

Income from operations rose 7 per cent to F1789m. Net income per share was up 13 per cent to F12.98. The full-year gross dividend is F10.65, up 8 per cent.

Compact discs accounted for 66 per cent of albums sold, compared with 58 per cent in 1991. Cassettes made up 31 per cent, compared with 35 per cent the year before. Vinyl records accounted for only 3 per cent, compared with 7 per cent in 1991 and 18 per cent in 1989.

SAS sees little likelihood of merger

By Christopher Brown-Humes in Stockholm

DISCUSSIONS between KLM, Swissair and Austrian Airlines are not expected to result in a merger, Mr Harald Norvik, SAS chairman, expects.

Speaking at an industry forum in Bergen, Norway, he stressed that the airlines were looking to co-operate more closely rather than combine. There had been speculation that the four airlines might eventually merge following

last Friday's announcement that they were launching detailed talks on the feasibility of setting up a "global airline system".

Mr Norvik said: "The talks are aiming to establish if the conditions exist for discussions on closer co-operation, and I don't think that a collaboration would lead to a merger. The issue is what degree of co-operation and co-ordination would be appropriate." He said SAS was not holding talks with any other airlines.

SAS, Swissair and Austrian Airlines already co-operate through a loose grouping known as the European Quality Alliance, which involves joint marketing activities and co-ordination of timetables.

It first became clear that KLM was interested in partnership talks with the EQA airlines in late January.

Last Friday, the four groups said they were setting up joint working groups to explore opportunities more closely.

Sabena relaunches with modest profit

By Andrew Hill in Brussels

SABENA, the Belgian national airline, yesterday relaunched its corporate and financial image with a surprise announcement that it had returned to modest profit after years of heavy losses.

The company attributed its recovery to the 11-month-old partnership with Air France, the French national carrier.

Mr Pierre Godfroid, chairman, said the group expected a

consolidated net profit of BFr6m (\$180,000) for 1992, against a loss of BFr2.44bn in 1991 and a loss of BFr5.17bn in 1990.

Group results cover the performance of the scheduled airline, centralised operations and regional and charter services. Mr Godfroid said more details would be released in April.

Mr Godfroid said Sabena could not have achieved such results without Air France's support, particularly on fleet

management, which he said saved the Belgian company about BFr500m last year.

The modest recovery has not come cheaply. Air France and a Belgian consortium agreed last April to inject BFr6bn into Sabena in the years up to 1994, and take a 37.6 per cent stake.

The Belgian government contributed a further BFr9bn on top of earlier heavy investment. Further state aid would almost certainly be banned by the European Commission.

Devaluations and weaker demand put DFDS lower

By Hilary Barnes in Copenhagen

DFDS, the Danish shipping and haulage group, returned annual pre-tax profits of DKr100m (\$11m) compared with DKr144m in the previous 12 months.

Sales rose to DKr5.93bn from DKr5.33bn in the same period.

An unchanged dividend of DKr60 per share (6 per cent) was proposed.

The board attributed the slide in profits to the slump in leading markets, including the UK and Sweden, and to the devaluations of the Swedish krona and sterling against the

Danish currency. Passenger traffic on the Scandinavian Seaways ferries to the UK was down.

The Tor Line freight service was adversely affected by conditions in Sweden and the UK.

The increase in sales was attributed by the company to an improvement in the haulage division, which has strengthened its position in the European markets.

This year will be a difficult one due to the slump in main markets, the group said.

It predicted a further reduction in operating profits.

Chargeurs warns of difficult 1993

By William Dawkins in Paris

CHARGEURS, the French textiles-to-media group run by Mr Jérôme Seydoux, yesterday reported nearly doubled profits for last year but warned that 1993 would be "very difficult".

Net profits rose from FF366m (\$66m) in 1991 to FF724m last year, but this was helped by a FF410m capital gain from the sale of Chargeurs' 12.9 per cent in the UTA to Air France.

The result implies an earnings fall from the first to the second half of the year. Chargeurs reported a FF712m net profit in the first six months of 1992, up from FF404m in the same period of 1991.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

FEBRUARY 1993



ASHBOURNE HOMES
Operator of Quality Nursing Homes

£61 million

Buy-Out and Development Capital for Expansion

Originated, structured and arranged by
Electra Kingsway Limited

Institutional equity provided by
Electra Private Equity Partners
Lead Investor

Prudential Venture Managers
The Third Causeway Development Capital Fund
Schroder Ventures

Senior debt provided by
Bank of Scotland
Arranger and Underwriter

3i plc
Midland Bank plc

ELECTRA

ELECTRA KINGSWAY LIMITED
65 KINGSWAY, LONDON WC2B 6QT TELEPHONE: 071 831 6464 FAX: 071 404 5388

A MEMBER OF IMRO

TO CLIENTS AND REINSURERS OF GUY CARPENTER & COMPANY, INC.

We presently anticipate being unable to gain access to our offices at Two World Trade Center for several days. However, we have been operational since Monday, March 1, following implementation of our Emergency Plan over the past weekend.

Our brokers, who are located at several sites in the greater New York metropolitan area, continue their current business activities with clients and reinsurers. Our Claims and Accounting operations are running. We are pleased to confirm that all our records are intact.

We can be reached by phone at our main switchboard number (212) 323-1000, by facsimile at (212) 313-4970 and by mail at our Two World Trade Center address.

Guy Carpenter remains committed to providing accurate and timely service to our clients and reinsurers.

GUY CARPENTER

TWO WORLD TRADE CENTER, NEW YORK, N.Y. 10048 • TELEPHONE: (212) 323-1000 • FAX: (212) 313-4970

هك من القمل

INTERNATIONAL COMPANIES AND FINANCE

K mart advances 9.5% for year on slow sales growth

By Nikki Tait in New York

K MART, the US retail group which operates around 2,400 discount stores as well as several chains of specialist stores, yesterday reported a 9.5 per cent increase in after-tax profits for the year to January 27.

However same-store sales growth for the group overall was a modest 2.5 per cent. The company made after-tax profits of \$941m in the 52-week period, up from \$859m in the previous year.

After-tax profits in the fourth, and most important, quarter rose by 11.7 per cent, to \$338m. Earnings per share increased more modestly. Due to an issue of equity-based securities in 1991, the figure for the last quarter increased to

\$1.15 from \$1.06, while for the year it was up by 2 per cent at \$2.06.

Total sales in the final quarter increased from \$10.6bn to \$11.5bn. For the year, there was a 9.1 per cent increase to \$37.7bn.

K mart said that its gross margin for the year had slipped to 24.5 per cent of sales, compared with 25 per cent. This reflected "increased clearance markdowns of spring and summer merchandise lines, especially apparel".

K mart also noted that there was a greater sales contribution from its PACE warehouse club chain, where margins are particularly low.

However, K mart added that the margin pressure had been greatest early in the year and

that there had been an "excellent sell-through" of seasonal merchandise during the Christmas season.

In the main general merchandise division, comparable store sales rose by a modest 1.5 per cent, although operating profits increased by 11.9 per cent to \$1.56bn.

The specialty retail chains overall saw a 5.7 per cent rise in same-store sales, with operating profits rising 10.7 per cent to \$1.81bn.

The one problem area was PACE, which saw operating profits fall from \$39m to \$3m. K mart said the profits erosion stemmed from poor performance of new outlets opened in 1991 and 1992, but that it expected an improvement this year.

NWA offers staff equity for wage concessions

By Nikki Tait

NORTHWEST Airlines, the indebted US carrier in which KLM Royal Dutch Airlines holds a minority share stake, has offered its employees a 20 per cent equity interest in the company in return for substantial wage concessions.

Northwest said the proposal was "the company's best offer for a revised compensation plan".

The lack of progress in talks with unions prompted speculation that the airline might file for Chapter 11 bankruptcy protection, but Northwest has denied this.

It asked labour leaders to agree to the plan by March 10.

The company is asking contract employees - including its pilots, flight attendants and mechanics - for cost savings of about \$883m over three years. Management and non-contract employees would contribute \$92m. The savings would come from wage reductions, employee contributions to medical and dental insurance plans, and holiday accrual rate reductions.

In return, Northwest is offering employees a 20 per cent equity stake and three seats on a 15-strong board of directors. This would match the three representatives appointed by KLM, which would see its share stake diluted pro rata.

Once the employee wage concessions are in place, Northwest will attempt a financial restructuring. If it has not obtained \$500m of new permanent capital by the end of June 1995, the employees' stake could increase to 51 per cent of the equity.

Royal Bank of Canada profits flat

By Robert Gibbens in Montreal

ROYAL Bank of Canada, the largest of Canada's big six chartered banks, yesterday reported little-changed net profits for the first quarter.

The bank, which is negotiating the acquisition of the trust operations of Royal Trustco, recorded net profit for the quarter of C\$254m (US\$211m), or 71 cents a share, in the first quarter of fiscal 1993.

This compares with C\$256m, or 73 cents, a year earlier. There were more shares outstanding in the latest period.

Lower non-interest expense and larger payments received on Brazilian loans were offset by higher domestic loan loss provisions and lower fee income.

Loan loss provisions totalled C\$295m, increased significantly to cover problems in the corporate sector. A year earlier, the provision was C\$185m. The bank now estimates provisions for fiscal 1993 at C\$820m, up C\$120m on the estimate at October 31 last.

Return on average assets was 0.73 per cent, against 0.76 per cent, and on equity 14.8 per cent against 14.5 per cent.

Total assets at January 31 were C\$137bn, up 2 per cent from a year earlier. If the Royal Trustco acquisition is consummated, the deal would bring the bank's total assets to nearly C\$200bn.

The Toronto commercial property market deteriorated further in the latest quarter, but retail banking, investment banking, treasury and investment management performed as planned.

"Strong spending control and the solid performance from most core businesses indicate a strong level of profitability this year," said Mr Allan Taylor,

chairman.

The bank recently raised about C\$600m in new Tier-1 capital.

● The banks will refinance about \$326m of term debt of Camdev, the former Campeau Corporation property group.

The banks have agreed to roll-over existing loans to Camdev for up to four years, secured by Camdev's stock in a profitable US regional grocery chain and office properties in Ottawa and London, Ontario.

The banks will also advance about C\$25m for upgrading two Ottawa office towers for lease renewals.

HP moves large printer and plotter development to Spain

By Alan Cane in London

HEWLETT-Packard, the US computers and electronics manufacturer, is to move worldwide responsibility for the development and manufacture of large-scale printers and plotters to Barcelona, Spain, from San Diego, California.

The move is part of an expansion programme and there will not be any job losses in San Diego.

The company said it would invest more than Pta1.8bn (\$15.3m) over the next two years to build a new 8,000 square metre plant at its Barcelona site.

The 300-strong workforce is

expected to double by the end of 1994.

Industry consultants estimate that the value of plotters manufactured in Spain will be \$300m a year by 1994.

Research and development, marketing and manufacturing will all be moved to Spain from the US.

Hewlett-Packard is a leading manufacturer of large-scale plotters and printers, which are used to create architectural and engineering drawings.

The company also said it intended to concentrate the manufacture of inkjet printers, where it is market leader, for the European market in Barcelona.

HP will continue to make inkjet printers in Vancouver, Washington, and Singapore.

Hewlett-Packard has been manufacturing plotters in Barcelona since 1985.

A spokesman said the company had been encouraged to develop further in the region by the quality of components from local suppliers, by the local workforce and by financial incentives.

The company has two other sites which manufacture products for a global market: Andover, Massachusetts, produces medical systems; and South Queensferry, Scotland, makes telecommunications instrumentation.

AT&T to raise capital spending

AMERICAN Telephone and Telegraph expects total capital spending for this year to exceed 1992's \$3.9bn and capital spending for its AT&T worldwide intelligence network to exceed last year's \$3bn, the company said in its annual report, AP-DJ reports.

The group added that it had not yet decided whether to adopt in 1993 or 1994 the new accounting standard for disability and other benefits provided to former employees.

It is required to adopt the standard by January 1994. AT&T said it could not reasonably estimate the financial impact of the change.

Plants to close at offshoot of Cincinnati Milacron

CINCINNATI Milacron, the US machine tool group, is restructuring its newly-acquired subsidiary, Valenite, with the closure of nine plants, including two in Brazil and one in Mexico, and net job cuts of about 480, AP-DJ reports from Cincinnati.

The company said the restructuring would improve Valenite's profitability by lowering working capital requirements, reducing overall expenses, increasing plant modernisation and improving capacity utilisation.

Costs associated with the restructuring, to be substan-

tially completed this year, were provided for at the time of the acquisition in February. As a result, there would be no special charges, Milacron said.

Of Valenite's 27 facilities worldwide, nine will close. Those plants are in Kentucky, Michigan, Ohio, Australia, two in Brazil, Italy, Mexico, and the UK.

Two plants in Michigan and Canada will be reduced in size.

Four operations, including plants in South Carolina, Texas, France and Germany, will receive additional work.

Marriott bondholders pursue fraud claim

By Nikki Tait

A GROUP of bondholders in Marriott Corporation, the US hotels and food services group which is planning to split itself into two separately-quoted companies, intends to step up its securities fraud litigation against the company.

The bondholder action is led by PPM America, part of the British Prudential insurance company's investment manage-

ment division, which holds around \$200m in Marriott bonds - largely on behalf of Jackson National Life Insurance Company, the Prudential's US insurance subsidiary.

The demerger scheme involves spinning off the more profitable operational businesses and leaving most of the group's debt, along with the property assets, in a separate company.

Marriott bonds dropped sharply as a result, although the group's shares have soared.

Some bondholders, including PPM America, sued Marriott, charging that the company failed to disclose its restructuring plan when it was selling new debt issues to investors last year.

Some of the big US institutional bondholders, however, are negotiating with Marriott, with a view to a settlement.

Speed
Flexibility
Experience
Strength

Quick reactions to market opportunities and a flexible, client-first approach to problem-solving are major reasons why corporations, banks, governments, and institutional investors around the world are turning to Commerzbank.

At Commerzbank, you also benefit from the financial engineering experience, innovative strength in capital markets, and global reach of one of Germany's leaders in investment banking.

We offer a comprehensive choice of investment banking capabilities designed to link the specific needs of borrowers and investors. Ranging from fund-raising operations and M&A to asset management and broker/dealer services.

In addition to the bank's headquarters in Frankfurt, you also have access to our international network of specialized investment banking units. In New York, London, Zurich, Luxembourg, Paris, Amsterdam, Tokyo, Singapore, and Seoul.

COMMERZBANK
German know-how in global finance

Headquarters: P.O. Box 100505, D-6000 Frankfurt am Main 1, Germany. Telephone 1362-2979, Fax 1362-3097.
International Presence: Amsterdam, Antwerp, Atlanta, Bangkok, Barcelona, Beijing, Bombay, Budapest, Buenos Aires, Cairo, Caracas, Chicago, Copenhagen, Dublin, Geneva, Gstaad, Grand Cayman, Hong Kong, Istanbul, Jakarta, Johannesburg, London, Los Angeles, Luxembourg, Madrid, Managua (Bahamas), Mexico City, Milan, Moscow, New York, Osaka, Paris, Prague, Rio de Janeiro, Sao Paulo, Seoul, Singapore, Sydney, Tehran, Tokyo, Toronto, Warsaw, Zurich.

This announcement appears as a matter of record only.



REPUBLIC OF POLAND

has sold to
a wholly-owned subsidiary of

Unilever N.V.



Unilever

a 70% share of

Z. T. OLMEX Ltd.

an edible oils and fats company incorporated and registered as a limited liability
company under the laws of the Republic of Poland in Katowice, Poland.
(Formerly Śląskie Zakłady Przemysłu Tłuszczowego w Katowicach.)

The undersigned acted as financial adviser to the Polish Ministry of Privatization.

CREDITANSTALT INVESTMENT BANK AG
CREDITANSTALT FINANCIAL ADVISERS S.A.



December, 1992

INTERNATIONAL COMPANIES AND CAPITAL MARKETS

Nomura chief attacks banking plan

By Charles Leadbeater
in Tokyo

PLANS to liberalise Japan's financial markets by allowing banks to compete in securities markets are seriously inadequate, Mr Yukio Aida, the chairman of Nomura Securities, said yesterday.

Mr Aida warned that Japan was missing an opportunity for a thorough review of how to reform its financial markets in the wake of the speculative economy of the late 1980s by introducing an unsatisfactory compromise designed to support the banks.

His comments are public confirmation of the ferocity of the struggle between banks and securities companies which are attempting to influence the government's policy on financial liberalisation. Securities companies allege the banks are being given favourable treatment to support them while they deal with their bad loans.

Under the plans the commercial

banks will be allowed to set up subsidiaries to deal in parts of the securities markets. The plans were drawn up in the late 1980s when the Tokyo stock market was booming. Since then trading volumes have fallen dramatically and most of Japan's stockbrokers expect to make large losses this year.

Mr Aida was speaking at a seminar on co-operation between British and Japanese financial institutions organised by British Invisibles, a trade group which promotes UK financial and other services abroad.

He said: "I am sceptical of such a reform when the securities industry is in such a dire predicament."

As an example of the alleged unfairness of the reforms Mr Aida pointed out that the banks will be allowed to lead management bond issues by Japanese companies in foreign markets, while securities companies will not be allowed into foreign exchange markets in



Yukio Aida: the financial market reforms are inadequate

Mr Aida criticised the Tokyo stock market's shareholdings in industrial companies.

He said these cross shareholdings gave the banks great influence over their industrial clients which they could use to attract business.

Japanese bankers speaking at the seminar dismissed Mr

Aida's warnings. Mr Yoh Kurosawa, president of the Industrial Bank of Japan, said the reforms would revive the pre-second world war system in which banks had securities businesses.

Mr Kurosawa, in a thinly veiled comment on the securities scandals which rocked the Tokyo stock market two years ago, said: "We are aware the Tokyo stock market has its practical problems. We are anxious to learn from Mr Aida about those problems."

Mr Tsuneki Takagaki, Bank of Tokyo president, said commercial banks initially would not compete intensely in the securities market because of the extent of their problems with bad debts.

Mr Takagaki said the non-performing loans would probably provoke management crises at some smaller institutions which would be taken over by larger groups.

However he said this would not threaten the banking system as a whole.

Greece to sell 14% of telecoms company

By Kevin Hope in Athens and Tracy Corrigan in London

OTE, Greece's state-owned telecommunications company, is to offer 14 per cent of its equity to domestic and international investors in a partial privatisation.

The offering, the largest so far in Greece, will include an international tranche of around 5 per cent. It will be aimed at investors in the US and Europe, according to the government's privatisation unit.

The international tranche will be offered simultaneously with a domestic tranche of around 5 per cent. The other 4 per cent will be stripped out earlier and offered on preferential terms to OTE's 23,000 employees. The government will retain control of 51 per cent.

The share issue will follow the sale of a 35 per cent stake in the company, together with management rights, to an international telecommunications operator. Thirteen groups are in line to bid, with the sale due for completion by July.

The government has not set a price for OTE, one of the few profitable Greek state enterprises. Analysts have valued the 14 per cent stake at around Dr90bn (\$408m).

Last month, 24 international banks and security houses were invited to submit bids to act as global co-ordinator and lead manager. N M Rothschild, the government's privatisation adviser, is assisting in the selection process.

● Thailand is about to embark on its first privatisation with the flotation of PTT Exploration and Production, part of the state-owned Petroleum Authority of Thailand. The public offering of just under 40m shares at Baht 32 per share (\$1.23) represents about 15 per cent of PTTPE's total capital.

S Korean vehicle makers struggle as costs rise

By John Burton in Seoul

SOUTH Korea's five main motor vehicle producers reported mixed, but generally worse, results for 1992 in spite of some increases in sales.

The drop in earnings reflected higher costs as manufacturers offered low-interest consumer loans to revive sluggish domestic demand.

They also had increased costs associated with the production and marketing of several new car models.

Hyundai Motor, the biggest Korean motor company, said net profits fell by 23 per cent to Won14.6bn (\$28m), although sales rose by 8.5 per cent to Won5,079bn.

Sales and profits were harmed in the last two months of 1992 as employees became involved in the presidential campaign of Mr Chung Ju-

young, the Hyundai founder, causing sales activity to slacken. Hyundai was able to balance sluggish sales in South Korea and the US, traditionally its largest foreign market, by increasing exports to Europe, which became its biggest overseas customer last year.

Kia Motors reported a 5.7 per cent decline in net profits to Won14.95bn as sales rose by 20 per cent to Won3,232bn. Earnings were depressed by costs involved with the introduction of the Potencia luxury car and the medium-range Sephia. It also had heavy investment spending in expanding production at its Asan Bay facility.

Daewoo Motors, which is unlisted, continued to post losses. Its deficit shrank to Won50bn from Won148.7bn in 1991. Sales increased by 6.5 per cent to Won1,700bn. Asia Motors, which is a specialised manufacturer of commercial vehicles and affiliated with Kia Motors, suffered a 29 per cent fall in profits to Won7.4bn as demand weakened because of a downturn in the construction industry. Sales remained almost unchanged at Won970bn.

Ssangyong Motor slipped into a deficit of Won8.75bn after registering a profit of Won9.38bn in 1991. Sales also fell by 15 per cent to Won340.8bn.

The reverse was largely caused by increased competition in the market for the four-wheel drive vehicles, which Ssangyong monopolised until last year with its Korando model. The introduction of the Galloper by Hyundai Precision, a manufacturer of rolling stock and containers, sharply reduced Ssangyong's market share.

Yukong ahead as domestic oil demand rises

By John Burton

YUKONG, South Korea's largest oil refining and petrochemical group, has reported a 19.5 per cent rise in net profits to Won29.3bn (\$37m) for 1992 on sales of 17.4 per cent ahead at Won4,721bn.

The sales increase reflected the country's rapid growth in oil consumption.

Earnings improved due to the favourable revision of government-set foreign exchange rates and base prices applied to crude oil imports.

Yukong also benefited from lower interest rates. The company has heavy financial expenses following the construction of eight new petrochemical plants in 1991.

● Ssangyong Oil Refining reported net earnings up 114 per cent to Won87.3bn, while sales rose by 12.4 per cent to Won2,043bn.

The rise in earnings reflected the same financial factors in Yukong's profit increase.

Howard Smith improves 4%

By Kevin Brown in Sydney

HOWARD Smith, the diversified Australian engineering group, yesterday announced a 4 per cent increase in net profit to A\$26.7m (\$18.8m) for the six months to the end of December, but warned that the second half would be tough.

Mr Ken Moss, chief executive, said depressed economic conditions would make it difficult for the group to equal last year's full-year net profit of A\$53.3m.

Mr Moss said the interim result was "pretty good" in the light of depressed trading conditions, which affected all the group's activities except engineering.

The group said sales increased by 14.8 per cent to A\$404m, mainly due to a full half-year contribution from Dunlop Industrial Sales, which was acquired early last year.

The directors declared a full-franked interim dividend of 10 cents, compared to 10 cents unfranked last year. The board said the full-year dividend

would also be fully franked.

● Tubemakers of Australia said equity-accounted net profit rose 52 per cent to A\$21m in the six months to the end of December, on sales down 1 per cent to A\$588m.

● National Foods, the Australian dairy and groceries group, said net profit increased by 480 per cent to A\$15m on sales up 1 per cent to A\$440m.

The interim dividend was raised to 2.75 cents, fully franked, from 2.5 cents in the comparable period of the previous year.

S African options market to open up

By Philip Gawth

THE Johannesburg Stock Exchange (JSE) plans to open its Traded Options Market (TOM) to foreigners and non-residents. Exchange control regulations currently bar preclude them from the equity options market.

By using TOM, foreigners will be allowed to buy and sell

call and put options on some of the main blue chip shares on the JSE as well as the all-share index and the gold index. This list will expand as and when demand requires it.

Announcing the change, Mr Roy Andersen, JSE executive president, said foreign investors would earn interest on cash margins remittable at the more advantageous commercial

rand rate of exchange. He said brokers would be able to service a wider client base. He hoped the hedging and arbitrage opportunities available would stimulate liquidity in the underlying cash market.

Foreign clients will trade as ordinary clients of brokers, and may use their financial rand or blocked rand balances for TOM trading.

Mutual & Federal climbs 16%

By Philip Gawth in Johannesburg

A RISE of 36 per cent in underwriting surplus helped Mutual & Federal, South Africa's largest short-term insurer, lift net income by 16 per cent to R77.2m (\$24.5m) in the six months to the end of September, from R56.6m a year earlier.

The result reflects the continuation of a turnaround in South Africa's insurance sector which has been under way for

more than a year, following a period when short-term insurers were hit by uncompetitive rates, a number of natural disasters, and spiralling crime rates.

This improvement is reflected in an increase of about 70 per cent in the insurance index on the Johannesburg Stock Exchange over the past year.

Gross premiums rose 13 per cent to R545.2m from R573.5m and net premiums advanced 14 per cent to R548.4m from

R483.4m. The underwriting surplus rose to R34.6m from R25.4m. Mr Ken Saggara, managing director, said the improvement resulted from stringent expense control and the absence of natural catastrophes.

He added, however, that the group's commercial and industrial portfolios remained highly competitive and underrated - to the tune of about 15 per cent - while high levels of crime-related losses remained a concern.

Thailand issues offshore bank licences

By Victor Maflet in Bangkok

THAILAND has granted offshore banking (OBU) licences to 47 local and foreign banks, out of more than 50 applicants, as part of a scheme aimed at making the country a regional financial centre.

The Thai finance ministry said those granted licences under the Bangkok International Banking Facility (BIBF) include 12 foreign banks with

branches in Thailand, 30 foreign banks with representative offices or with no prior presence, and all 15 local commercial banks.

Foreign banks had assumed that fewer than 10 of the Thai banks would be granted OBU licences because the smaller operations might be unable to meet required capital adequacy ratios.

Under BIBF, banks will be able to take advantage of tax

incentives for regional activities, although it is not clear if Thailand will be able to compete against centres in Singapore and Hong Kong.

The corporate income tax rate under BIBF will be 10 per cent instead of the usual 30 per cent. Bangkok Bank said in a research paper that BIBF would reduce the cost of foreign funds brought in to finance the Thai current account deficit.

NOTICE OF EARLY REDEMPTION
to the Noteholders of

Yasuda Trust & Banking (Luxembourg) S.A.

Floating/Fixed Rate Guaranteed Notes due 2000

NOTICE IS HEREBY GIVEN that, pursuant to the terms of the Fiscal Agency Agreement dated 30th March, 1990, between Yasuda Trust & Banking (Luxembourg) S.A. (the "Company"), the Yasuda Trust and Banking Company Limited (the "Guarantor"), Yasuda Bank and Trust Company (U.S.A.) as fiscal and principal paying agent, The Yasuda Trust and Banking Company Limited, London Branch, Bankers Trust Luxembourg S.A. and Swiss Bank Corporation as paying agents, the Company has elected to redeem the entire U.S. \$50,000,000 outstanding principal amount of the Company's Floating/Fixed Rate Guaranteed Notes due 2000 on March 30, 1993 (the "Redemption Date") at the price of 100% of the principal amount thereof plus interest accrued thereon to the Redemption Date. Payment will be made upon presentation and surrender of the Notes at the below-listed paying agents together with all appurtenant coupons, if any, maturing subsequent to the Redemption Date. The amount of any missing unexpired coupons will be deducted from the sum otherwise due for payment. Interest on the Notes will cease to accrue from and after the Redemption Date. The Company has elected to redeem the Notes pursuant to section 5(b) of the Terms and Conditions of the Notes.

On and after the Redemption Date, the sole right of the holders of the Notes shall be to receive payment at the redemption price (including payment for missing coupon in respect of which a deduction shall have been made from the redemption price as aforesaid) together with accrued interest to the Redemption Date.

Payment will be made at any of the following paying agencies listed below:

Bankers Trust Luxembourg S.A.
P.O. Box 807
14 Boulevard F.D. Roosevelt
L-2450 Luxembourg

The Yasuda Trust and Banking Company Limited
London Branch
1 Liverpool Street
London EC2M 7NH

Swiss Bank Corporation
Aeschenvorstadt 1
CH-4002 Basel

Payment pursuant to the presentation of the Notes for redemption made by transfer to a United States dollar account maintained by the payee with a bank in the United States, may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 31% of the gross proceeds (including premium, if applicable) if a payee fails to provide a paying agent with an executed IRS Form W-9 in the case of a non-U.S. person or an executed IRS Form W-9 in the case of a U.S. person. Those holders who are required to provide their accurate taxpayer identification number and who fail to do so may also be subject to an IRS penalty of U.S. \$50. Accordingly, please provide all appropriate certification when presenting the Notes for payment.

YASUDA TRUST & BANKING (LUXEMBOURG) S.A.
By: YASUDA BANK AND TRUST COMPANY (U.S.A.)
as Fiscal and Principal Paying Agent
Dated: March 3, 1993

NOTICE OF REDEMPTION

INTERNATIONAL BANK
FOR RECONSTRUCTION AND
DEVELOPMENT
Washington, D. C.
("IBRD")

IBRD 7.3% Japanese Yen Bonds of 1985
Due 2000 (Thirty-first Series) (the "Bonds")

We hereby notify holders of the above Bonds that on March 29, 1993, the entire outstanding amount of the Bonds is to be redeemed as follows: (a) pursuant to Condition 15 of the Bonds, by fulfilling a mandatory redemption obligation of 3 billion yen (mandatory redemption price: 100%) and (b) pursuant to Condition 17 of the Bonds by IBRD exercising an optional redemption right of 47 billion yen (optional redemption price: 102%). The numbers of Bonds selected by drawing for the mandatory redemption of 3 billion yen are as follows:

Denomination (Yen)	Numbers
100,000	4212-4771
1,000,000	3068-3431
10,000,000	3960-4217

The numbers of Bonds shown below are to be redeemed at a price of 102% as optional redemption of 47 billion yen.

Denomination (Yen)	Numbers
100,000	1-4311, 4772-9220
1,000,000	1-3067, 3432-6038
10,000,000	1-3960, 4218-4304

Paying Agents: With respect to definitive bonds, the principal of and interest on the Bonds are payable at any of the paying agents mentioned therein. With respect to recorded bonds, the payment shall be made at the paying agent designated in the application for the recording of the Bonds.

The Industrial Bank of Japan, Limited
as Representative Commissioned Company for the Bonds
3rd March, 1993

This notice is issued in compliance with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited (the "London Stock Exchange"). It does not constitute an offer or invitation to subscribe for or purchase any of the cumulative irredeemable preference shares (the "Preference Shares"). Application will be made to the London Stock Exchange for all the Preference Shares to be admitted to the Official List and dealings are expected to commence on 10th March 1993.



General Accident plc

(Incorporated with limited liability in Scotland under the Companies Act 1985
with registered number 1195051)

110,000,000 7 7/8 per cent.

Cumulative Irredeemable

Preference Shares

of £1 each at 100.749 pence per share

The Listing Particulars are available for collection during normal business hours from the Company Announcements Office, the London Stock Exchange, London Stock Exchange Tower, Capel Court Entrance, Off Bartholomew Lane, London EC2 for the next 2 business days and on any business day up to and including Wednesday 17th March 1993 from the registered office of General Accident plc and:-

Hoare Govett Corporate Finance Limited
4 Broadgate
London EC2M 7LE

Wednesday 3rd March 1993

Notice of Appointment of Substitute Administrator

Truck Funding PLC

£180,000,000

Floating Rate Notes due 1997

Notice is hereby given that pursuant to the provisions of the Administration Agreement dated 22nd December, 1992 between, inter alios, Leyland DAF Finance plc, Truck Funding PLC, Lease Plan UK Limited and the Trust Debenture Trust Corporation p.l.c., Leyland DAF Finance plc was replaced as Administrator for the purposes of the Administration Agreement by Lease Plan UK Limited with effect from 26th February, 1993.

Dated: 3rd March, 1993. By: The Law Debenture Trust Corporation p.l.c., as Trustee.

C&G
Chesterman & Gloucester
Building Society

£125,000,000

Floating Rate Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 28th May, 1993 has been fixed at 6.2525% per annum. The interest accruing for such three month period will be £156.01 per £100,000 Bearer Note, and £1,560.01 per £1,000,000 Bearer Note, on 28th May, 1993, against presentation of Coupon No. 17.

Union Bank of Switzerland
London Branch Agent Bank
26th February, 1993

AUSTRALIA AND
NEW ZEALAND BANKING
GROUP LIMITED

Sterling Floating Rate Notes

Due 1997

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from February 26th, 1993 to May 26th, 1993, has been fixed at 6.375 per cent per annum. On May 26th, 1993 interest of sterling 77.72 per sterling 5,000 nominal amount of the Notes, and interest of sterling 388.61 per sterling 25,000 nominal amount of the Notes, will be due against Coupon No. 34.

Swiss Bank Corporation
London
Reference Agent

MFC
Mortgage Funding Corporation No.5 PLC

(Incorporated in England and Wales with limited liability under registered number 2079671)

Class A Multi-Class Mortgage Backed Floating

Rate Notes due November, 2035

Class A-1 £110,000,000 Class A-3 £17,500,000

Class A-2 £ 80,000,000 Mezzanine Notes £18,500,000

For the interest period 26th February, 1993 to 28th May, 1993 the Class A-1 Notes will bear interest at 6.2525% per annum. Interest payable on 28th May, 1993 will amount to £1,238.78 per £100,000 Note. The Class A-2 Notes will bear interest at 6.80% per annum. Interest payable on 28th May, 1993 will amount to £1,695.34 per £100,000 Note. The Class A-3 Notes will bear interest at 6.95% per annum. Interest payable on 28th May, 1993 will amount to £1,732.74 per £100,000 Note. The Mezzanine Notes will bear interest at 7.35% per annum. Interest payable on 28th May, 1993 will amount to £1,832.47 per £100,000 Note.

Bankers Trust
Company, London
Agent Bank

Market Myths and Duff Forecasts for 1993

Corporate profits will soar, bonds have had their day, the US dollar is a bull market. You did NOT read that in *FullerMoney* - the international investment letter. Call Jane Richardson for a sample issue (once only). Tel: London 71-439 4561 (071 in UK) or Fax: 71-439 4565

C&G
Chesterman & Gloucester
Building Society

£125,000,000

Floating Rate Notes due 1995

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 26th May, 1993 has been fixed at 6.40% per annum. The interest accruing for such three month period will be £136.05 per £100,000 Bearer Note, and £1,360.54 per £1,000,000 Bearer Note, on 26th May, 1993, against presentation of Coupon No. 18.

Union Bank of Switzerland
London Branch Agent Bank
26th February, 1993

Obayashi Finance International
(Netherlands) B.V.

¥4,500,000,000

Floating Rate Notes due 1997

Interest Rate: 4.42% pa.
Interest Period: 3rd March, 1993 to 3rd September, 1993
Coupon Amount: ¥2,228,184 (on Notes of ¥100,000,000)
Payment Date: 3rd September, 1993
By: Salurus Trust International Limited (Fiscal Agent)
3rd March, 1993

LEGAL NOTICES

C&G
Chesterman & Gloucester
Building Society

£125,000,000

Floating Rate Notes due 1995

NOTICE IS HEREBY GIVEN pursuant to Section 98 of the Insolvency Act 1986 that a Meeting of the Creditors of the above-named Company will be held at 78 Hatten Garden, London EC1N 3JA, on 5th March 1993 at 12.00 noon for the purposes mentioned in Section 99 to 101 of the said Act.

Creditors wishing to vote at the Meeting must lodge their proxy, together with a full statement of account as the registered office - New Garden House, 78 Hatten Garden, London EC1N 3JA, not later than 12 noon on 4th March 1993.

For the purposes of voting, a second creditor is required (unless he surrenders his security) to lodge at New Garden House, 78 Hatten Garden, London EC1N 3JA, before the meeting, a statement giving particulars of his security, the date when it was given and the value at which it is assessed.

Notice is further given that a list of the names and addresses of the company's creditors may be inspected, free of charge, at New Garden House, 78 Hatten Garden, London EC1N 3JA, between 10.00 a.m. and 4.00 p.m. on the two business days preceding the date of the meeting stated above.

By Order of the Board
David Collins
Director

Correction Notice

Voyager

Securities Limited

(Incorporated with limited liability in the Cayman Islands)

U.S. \$100,000,000

Secured Floating Rate

Notes due 1992-1996

For the Interest Period 26th February, 1993 to 28th May, 1993 the Notes will carry an Interest Rate of 4.41875% per annum with Interest Amounts of U.S. \$977.50 and U.S. \$2,443.35 per Notes with original principal amounts of U.S. \$100,000 and U.S. \$250,000 respectively payable on 28th May, 1993.

Bankers Trust
Company, London Agent Bank

Appointments

Advertising

appears every

Wednesday & Thursday

Friday

(International edition only)

هكذا من القلم

Merrill Lynch M&A. Resources that bring results worldwide.

Sorin Biomedical Inc.

an affiliate of

SNIA BPD SpA, a FIAT Group Company

has sold the stock of

Tracheostomy Products, Inc.

to

Mallinckrodt Medical, Inc.

a subsidiary of

IMCERA Group Inc.

We acted as financial advisor to Sorin Biomedical Inc. in this transaction and assisted in the negotiations.

Merrill Lynch & Co.

Credito Romagnolo S.p.A.

has acquired the remaining 46% not already owned of

Banca del Friuli S.p.A.

We acted as financial advisor to Credito Romagnolo S.p.A. in this transaction.

Merrill Lynch & Co.

Insituform Group Limited

has been acquired by

Insituform of North America, Inc.

and has been renamed

Insituform Technologies, Inc.

We acted as financial advisor to Insituform Group Limited in this transaction and assisted in the negotiations.

Merrill Lynch & Co.

Roche Biomedical Laboratories, Inc.

a subsidiary of

Hoffmann-La Roche Inc.

has acquired

CompuChem Corporation

We acted as financial advisor to Roche Biomedical Laboratories, Inc. in this transaction and assisted in the negotiations.

Merrill Lynch & Co.



Merrill Lynch

A tradition of trust.

©1993 Merrill Lynch & Co.
Approved by Merrill Lynch International Limited, member of SFA.

Belgium and British Gas lead day of large issues

Nomura Bank(Swiz.)

If one borrower is unable to service the loan, FFH will us-

ary new home sales, which plunged 13.8 per cent during the month.

standard of Swiss corporate reports, more renowned for what they hide rather than

1983	460	29	37	21	5	19	22
	580	7	15	41	25	44	65
& S (534)	330	14	23	30	9	19	23
	360	4½	11	18	29	38	40

5	All stocks (60) ...	145.54	-0.04	145.60	1.74	2.37	10	Irredeemables (Flat Yield)	8.50	8.49	9.36
6	Index-Unind.						11	Index-Linked			
	Up to 5 years (2) ..	183.58	-0.04	183.66	0.14	1.51	12	Inflation rate 5%	2.02	2.00	3.54
	Over 5 yrs.							Inflation rate 5%	2.47	2.44	3.25

7	Up to 5 years (12)	1.83.58	-0.04	1.83.66	1.4	1.53	12	Inflation rate 5%	Up to 5 yrs.....	2.02	2.00	3.54
8	Up to 5 years (12)	1.72.18	-0.04	1.72.24	0.76	0.87	13	Inflation rate 10%	Over 5 yrs.....	3.47	3.46	4.29
9	All stocks (14)	1.72.56	-0.04	1.72.62	0.68	0.96	14	Inflation rate 10%	Up to 5 yrs.....	1.17	1.15	2.88
									Over 5 yrs.....	3.29	3.28	4.11
9	Debt & Loans (66)	1.28.09	-0.03	1.28.14	1.86	2.24	15	Debt & Loans	5 years.....	8.60	8.53	10.81
							16		15 years.....	9.33	9.31	10.62

COMPANY NEWS: UK

Hays shows modest growth to £29m

By Andrew Botger

HAYS, the business services group, increased pre-tax profits by 9 per cent to £29.1m in the six months to December 31.

However, the group said that the early opening of a Milton Keynes distribution depot for Waitrose in January had brought forward £1m of extra costs which would have an effect on the second half's results.

The shares closed 14p lower at 227p.

Mr Ronnie Frost, chairman, said the group had performed well: "The operating profits of both the distribution and com-

mercial core activities showed good growth."

Group turnover rose from £341m to £381.2m and operating income increased by 8 per cent to £30.2m.

The distribution division's operating profits rose by 8 per cent to £17.5m. The group said the performance of Pril, the French distributor bought for £37.5m in June, had been up to expectations.

Hays Network Distribution, which encompasses the Dagenham, Network and Marine businesses, had been substantially reorganised by its new managing director who was appointed in August. About 20

redundancies, at a cost of £250,000, reduced profits. However, Mr Frost said these cuts, and closure of two offices, would save £1m a year.

Chemicals distribution's profits declined, mainly because of a surplus of caustic soda.

The commercial division increased operating profits by 15 per cent to £10.8m. In spite of the Post Office delaying an increase in the first-class letter rate, Britdoc's profits continued to grow strongly due to new business areas and increasing volumes of mail.

The group said its parcels business, Data Express, had done well in a difficult market, increasing both turnover and profits.

The personnel division's operating profits fell from £2.5m to £2.1m, partly because of about £350,000 of reorganisation costs. All 123 branches, which mainly provide accountancy staff, continued to contribute to profits.

Earnings per share rose to 4.9p (4.7p). The interim dividend is lifted to 1.7p (1.5p).

COMMENT

Yesterday's figures were at the bottom end of expectations and that was enough to knock the share price, which has enjoyed

a good run from 163p since September. However, the performance of the main businesses remains impressive.

The commercial division continues to thrive and the dip in multi-user distribution and the chemicals side shows that recovery would not just benefit Hays' depressed personnel division. Analysts have brought their full-year profit forecasts back to about £67m, which puts the shares on a prospective multiple of about 20. The 20 per cent premium to the market does not seem unjustified for a group which will respond speedily to economic upturn.

Concern over dividend cuts 10% off Raine shares

By Andrew Taylor, Construction Correspondent

THE SHARE price of Raine Industries fell by more than a tenth yesterday despite the announcement by the UK housebuilder of a 14 per cent rise in pre-tax profits to £2.8m during the six months to end-December.

A rise in group borrowings and concern over an uncovered interim dividend, which was maintained at 2p, sent Raine's share price tumbling by 12p to 101p, reducing its stock market value by £22.5m.

Pre-tax profits would have fallen below last year's interim level of £2.4m if provisions for the six months to end-December 1991 of £3.4m, to cover losses on Raine's 2.5 per cent strategic stake in rival housebuilder Y.J. Lovell, had not been restated above the line.

The company revealed that since January 1 there had been a substantial improvement in agreed sales and inquiries from would-be purchasers.

However, Mr Peter Parkin, chairman, said the improvement had come too late to benefit the current financial year.

He blamed wild fluctuations in currency and interest rates last autumn, which had hit housebuyers' confidence, and

restricted sales during the run-up to Christmas.

As a result, operating profits had fallen by 11.6 per cent during a first half which had included the first full six months of sales from Walter Lawrence.

Earnings, after taking account of the 1991 restated provision, rose from 0.27p to 0.83p.

In order to pay the maintained dividend the company will need to transfer £2.19m from reserves.

Borrowings had risen since the end of June by £17m to £57m, equivalent to 47 per cent of shareholders' funds.

Mr Parkin expected borrowings to get back to about £40m by the end of June.

He added that the political and economic upheaval caused by sterling's withdrawal from the ERM had caused tremendous damage to the confidence of house buyers.

First half sales of 654 were about 180 less than the group had expected.

House prices and margins had remained under severe pressure, particularly in the south-east.

However, Mr Parkin said that more recently there had been signs that prices had begun to stabilise, reflecting an

increase in demand.

The group's housing operation in California had continued to perform poorly and incurred a first half loss.

UK contracting was also a difficult market with margins and orders under severe pressure.

COMMENT

Raine's share price last night was only slightly ahead of the 95p rights issues price in March last year when it acquired Walter Lawrence. The company, however, appears willing to raid reserves to maintain the final dividend provided the housing market does not dive again. It will need pre-tax profits of at least

£17m in 1993-94 to provide sufficient earnings to maintain the dividend again. In the current financial year pre-tax profits are likely to be about £11m compared with a restated £10m for 1991-92. Borrowings, however, will be lower by June.

The group's land costs, one of the lowest in the sector, will stand it in good stead as the housing market picks up. A prospective p/e approaching 30 for the current financial year suggests the shares are not going anywhere in the short term.

Contract-out trend boosts Serco to £7.2m

By Angus Foster

SERCO, the facilities and project management company, yesterday announced a sharp rise in profits and turnover, helped by the growing trend for government and companies to contract out services.

Pre-tax profits increased 37 per cent from £5.25m to £7.21m in 1992. At the interim stage, profits also increased 37 per cent to £3.98m.

Mr Richard White, managing director, said he was "extremely pleased" with the

results. "The whole market remains quite busy," he said.

Turnover rose 43 per cent to £149.7m. About half the increase came from International Aeradio Limited (IAL), the civil aviation specialist acquired last April from BT for £12.3m. IAL contributed pre-tax profits of £556,000, slightly ahead of expectations.

Operating profits, however, rose only 7.7 per cent to £5.69m. This was partly due to costs on restructuring IAL.

Serco holds contracts as varied as the maintenance of Hyde

Park, Ministry of Defence radars and speed cameras in London. Mr White said the company retained several important contracts after tender.

Associates, which include some Ministry of Defence joint ventures and a New Zealand company, increased their contribution from £519,000 to £1.38m, thanks to contract expansions.

Serco had net interest receivables of £131,000 compared to charges last time of £561,000, mainly because of reduced bor-

rowings after the £9.7m rights issue in November 1991.

Fully diluted earnings gained 22.5 per cent to 37p (30.5p). A final dividend of 9.5p is proposed, to make a total of 14p (11.9p).

COMMENT

Serco is undoubtedly a class act working in a market with guaranteed growth. But yesterday's 47p rise in the shares to 810p suggests the market may be a little carried away. To be fair, much of the buying was prompted by analysts upgrad-

ing forecasts for this year by about £1m to £9m. The shares are also closely held so can over react. But after rising more than 40 per cent since September, they are now on more than 17 times and leave little margin for error. The one question mark is operating profits, where growth has tended to lag behind increases in turnover. This year, the figures are obscured by the IAL acquisition. Next time, it should be clearer whether Serco can make the most of all the new business it is winning.

NEWS DIGEST

Billam rises 57% to £479,000

J BILLAM, the specialist engineer, returned profits of £479,000 pre-tax for the year to end-December, an improvement of 57 per cent over the previous £306,000.

Turnover was static at £5.99m (£5.85m) although second half sales showed a 5 per cent rise over those for the corresponding period which the directors said reflected "initial benefits of increased sales activity".

Earnings rose to 20.1p (13.3p) and a final dividend of 3.1p makes a 5p (4.33p) total.

Interest costs were reduced to £57,000 (£95,000) and year-end gearing was cut to 30 (47) per cent.

£25.6m raised for Pilot Inv Trust

Charterhouse Tilney, the stockbroker, raised £25.6m for Pilot Investment Trust, which will specialise in smaller companies.

The amount raised is on a par with the £28.5m raised by Hoare Govett for its indexed smaller companies trust late last year.

The bulk of the shares (with warrants attached) were placed with institutions. Only 2.11m shares were applied for in the public offer. About £10.8m of the fund raised came from institutions swapping their existing small company holdings into trust shares.

Dealings in the trust will start on March 5.

Bad debts behind 43% fall at Instem

Instem, the USM-quoted computer electronics and information systems group, saw profits tumble 43 per cent in a "disappointing outcome" for the 53 weeks to December 31.

After an exceptional £386,000 provision for bad debts, after three customers went into receivership, the pre-tax line emerged at £875,000, against £1.01m in the previous year.

Turnover declined some 10 per cent to £14.3m (£15.5m), a fall partly attributable to the "uneven nature of our project work" according to Mr David Gare, chairman.

The final dividend is maintained at 1.8p for a total of 3.1p (3p), covered 2.7 times by earnings of 8.5p (15.2p) per share.

Paramount edges ahead to £261,000

Profits of Paramount, the Cheshire-based pub operator, rose by £5,000 to £261,000 pre-tax for the six months ended November 30 in spite of an 18 per cent fall in turnover to £3.67m.

The result was struck after

interest charges of £625,000 (£578,000) and a share of profits of an associate undertaking of £71,000 (nil). Fully diluted earnings emerged at 0.25p (0.34p).

The company's shares are traded on the USM, but with the proposed closure of that market directors are considering a move to a full listing.

Pacer \$531,000 back in profit

Pacer Systems, the USM-quoted electronics group, swung from losses of \$1.14m to profits of \$531,000 (\$374,000) pre-tax for 1992. Revenue rose 9.5 per cent to \$27.6m.

At the year end, the order book was up 18 per cent at a record \$83.1m. Earnings per share amounted to 6 cents (losses 13 cents) and a final dividend of 3.5 cents makes a same-again 6.5 cents total.

GKN makes £6.5m Mexican expansion

GKN has lifted its stake in Velcon SA de CV of Mexico, part of the Desc industrial group, to 38 per cent.

GKN paid \$10.1m (£6.52m) for an additional 14 per cent of Velcon from its partner Spicer.

Mr Trevor Bonner, managing director of GKN automotive drive line systems, believed Velcon offered a "significant strategic opportunity for GKN as Mexico is a key growth area within the world automotive market."

Provident Financial obtains injunction

Provident Financial, the consumer credit and insurance group has obtained a high court injunction to prevent the Halifax Building Society using the name "Halifax" in connection with motor insurance.

Provident Financial has a motor insurance subsidiary, Halifax Insurance, specialising in private motor insurance. Provident said the injunction would stay in force until a full hearing of the case in up to two years' time.

Grahams Rintoul launches new trust

The High Income Trust, an investment trust which will invest in convertible securities, is being launched by Grahams Rintoul, the London-based fund management group.

The trust will aim for an 8.5 per cent yield, payable quarterly, and will have a six year life.

Two classes of shares will be offered, ordinary income and zeros.

The trust's board will include Prof Tim Congdon, one of the "seven wise men" who advise the government on economic issues.

Grahams Rintoul also manages an eponymous investment trust and the North American Gas trust.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official notices are not available as to whether the dividends are interim or final and the sub-divisions shown below are based mainly on last year's timesheets.

TODAY

Intertec: Poshing Emerging Markets, Gent (GR), Lima Printing Tech, Savage, Tilton Euro.

Pharm: BAC, BNP Securities, Brent Chemicals, CMC, Courtyard Textiles, Cowie (TC), Grosvenor Dev Cap, Guardian Royal Exchange, Metal Bulletin, Midland Bank, National Bus Plus, TN High Income Trust, Trans World Comms.

FUTURE DATES

Intertec: Dowling & Mills Apr. 8

Golden Hope Plantations Mar. 17
Mudlow (A&L) Mar. 19
Sider Mar. 11
Pharm: Anglia Television Mar. 19
Bagnall Inds Mar. 11
Bentley Mar. 24
Edmond Mar. 18
Granby Mar. 11
Mandrel Mar. 11
Merrill Lynch Trust Mar. 9
Robinson Brothers Apr. 7
Rutgers Mar. 11
Rutledge Mar. 11
Slings & Friedlander Mar. 11
Taylor Woodrow Mar. 30
United Biotech Mar. 18
Vital Mar. 18
Wessex Mar. 15
Waters City of London Mar. 9



General Accident

SUBSTANTIAL RECOVERY

1992 RESULTS

	Year to 31.12.92 Unaudited £m	Year to 31.12.91 Audited £m
General Premiums	3,831.5	3,219.0
Life Premiums	790.4	551.9
Net Investment Income	464.8	389.1
General Underwriting Loss	(510.1)	(569.1)
Loss before Taxation	(29.3)	(171.6)
Loss attributable to Shareholders	(26.9)	(139.4)
Earnings per Ordinary Share	(7.0p)	(32.1p)
Dividend per Share	26.75p	26.75p

- Pre-tax loss of £29.3m represents an improvement of £142.3m – despite losses on Hurricane 'Andrew' of £65m net.
- Fourth quarter pre-tax profit of £5.8m maintains positive trend of underlying recovery.
- UK underwriting losses substantially reduced.
- US results distorted by Hurricane 'Andrew'.
- Good performance in Canada and the Pacific.
- Outstanding progress in Life operations.
- Second issue of Preference Shares will raise £110m and add 2.6 points to current solvency margin of 43.3%.

Nelson Robertson, Chief Executive, commented: "A substantial recovery has been achieved. We are now well placed to take advantage of opportunities for profitable growth."

General Accident plc

General Accident plc, World Headquarters: Pitheavlis, Perth, Scotland PH2 0NH

COMPANY NEWS: UK AND IRELAND

Continued withdrawal of products in US behind 24% fall to £124m

Disposals limit Fisons' decline

By Paul Abrahams

FISONS, the scientific instruments and drugs group, yesterday reported pre-tax profits for the year to December 31 down 24 per cent from £162.6m to £124m. The shares fell 7p to 222p.

The results, which suffered from the continued withdrawal of two pharmaceutical products in the US and the impact of the recession on the scientific instruments division, would have been worse but for a £23.3m net profit from disposals. Last year there were losses on disposals of £24.6m.

Trading profits fell 41 per cent from £197.4m to £117.4m, on turnover up 4 per cent from £1.24bn to £1.28bn.

The figures were prepared according to FR5 3. Last year's reported pre-tax profits were £190.5m for earnings per share of 30.9p. Earnings per share fell from 17.4p to 13.9p. The proposed final dividend is maintained at 5.4p for an unchanged total of 8.7p.

The pharmaceuticals division reported operating profits down 38 per cent from £113.6m to £71m on sales of £410m (£427m).

The scientific equipment



Patrick Egan, left, and Cedric Scroggs, looking for growth in sales and margins for the pharmaceuticals division

division's profits were halved at £56.1m (£58.4m) on sales 5 per cent ahead at £876.2m (£844.5m). The horticultural division which is being sold, generated operating profits of £11.2m (£11.5m) on sales of £107.8m (£96.7m).

Gearing rose from 38 per cent to 67 per cent, said Mr Roy Thomas, finance director. Disposals had brought debts down from £349m to below £200m by February.

Mr Patrick Egan, group

chairman, said the pharmaceuticals division's margins had been affected by the costs of overhauling manufacturing and quality control procedures. However, most of this had been completed during the first six months, and margins during the second half had improved from 11.1 per cent to 21.8 per cent.

Sales of Intal, Fisons' best-selling asthma drug fell 1.2 per cent from £192.8m to £190.3m. This, claimed Mr Cedric

Scroggs, chief executive, was entirely due to trade destocking in the US. He added that this had been planned and that worldwide prescriptions for Intal had continued to grow satisfactorily at some 13 per cent.

Tilade, the group's new asthma product which will shortly be launched in the US, generated revenues up 22 per cent from £21.4m to £26.1m. The German market was particularly strong with prescriptions up 22 per cent, said Mr Scroggs.

He pointed out that the anti-inflammatory treatments Intal and Tilade grew 14 per cent compared with 11 per cent growth for the whole of the asthma market.

Sales of Opticrom, an eye product, increased 38 per cent from £31.4m to £43.7m thanks to fast growth on the European continent and in Japan.

Fisons continues to develop its two key new compounds tiptredane, an asthma drug, and remacemide, an epilepsy treatment. Tiptredane should be ready for registration with licensing authorities by 1996, while remacemide should be ready by 1997.

See Lex

AIB shows £171.6m thanks to US side

By Tim Coone in Dublin

A STRONG performance by First Maryland Bancorp, its US subsidiary, largely helped Allied Irish Banks, Ireland's largest clearing bank, achieve better than expected pre-tax profits of £171.6m (£177m) for the nine months ended December 31 1992.

The result was produced despite deteriorating trading conditions in Ireland. Mr Gerry Scanlan, group chief executive, said: "Excellent results in the US and significant improvement in Britain compensated for the lack of growth in Ireland, which reflected the uncertain market conditions for our customers."

The group has changed its year-end reporting date from March 31 to December 31 this year consolidating the different reporting dates of the group's various subsidiaries, making comparison difficult with the 1992 results to March 31 1992, when pre-tax profits of £185.8m were reported.

However, due to improved tax management, the post-tax profits of £107.6m for the nine months compared favourably with £104.7m for the previous 12-month period.

Profits growth of 23 per cent was reported at First Maryland which contributed 43 per cent of total group profits for the nine months period.

Losses in the UK division were down to £25.6m for the nine months, compared with £47m for the previous full year, while the Ireland division, which includes results from its TSB subsidiary in Northern Ireland, reported £129.6m in pre-tax profits for the nine month period compared with £172.6m for 1992.

Profits in the Republic, however, were significantly down (by some 20 per cent on an annualised basis) to £72.7m from £121.4m between the two reporting periods.

Loan loss provisions were £143.3m for the nine months (£178.3m) and the group's Tier 1 capital adequacy ratio has again improved, from 6.6 per cent to 7.2 per cent.

A final dividend of 4.2p is recommended, giving a total of 8p for the period. On an annualised basis this equals 8.7p, an increase of 5.5 per cent over 1991-92.

Market analysts anticipate pre-tax profits in the region of £220m and earnings per share of 21p for 1993.

COMMENT

AIB executives remain upbeat about performance in the group's core Irish market for the year ahead. But the sharp downturn in the last quarter of 1992, triggered by the sterling crisis, high interest rates and a loss of business confidence, will only be partially offset by the punt's devaluation at the beginning of this year. Continuing high interest rates, weak sterling, and ERM instability give little cause for corporate optimism. Growing loan loss provisions and tighter profit margins would seem a more likely scenario for 1993. Thus the group's "engine for growth" appears to have chugged off to the other side of the Atlantic, where First Maryland has built up a good head of steam ready to take advantage of the Clinton economic recovery.

General Accident deficit cut sharply to £29.3m

By Richard Lapper

GENERAL ACCIDENT, the Perth-based insurance company, yesterday reported a fall in pre-tax losses to £29.3m for 1992, compared with £171.6m.

Heavy losses from hurricane Andrew prevented the company moving back into the black, despite better trading conditions and an improvement in most lines of business.

The company also announced it was raising a further £110m by the issue of preference shares. Hoare Govett were lead managers to the issue, which carries a yield of 10.42 per cent.

Explaining the board's decision not to follow in the footsteps of Commercial Union by issuing new ordinary shares, Mr Nelson Robertson, chief general manager, said: "We are perfectly happy with our level of solvency."

The margin, net assets as a percentage of non-life premium income, stands at 46 per cent.

Mr Robertson said GA was gearing for steady rather than

rapid growth in 1993, following a 7 per cent increase in premium income last year, in original currency terms.

Premium income on non-life business grew to £3.83bn (£3.22bn), with life premiums rising to £790.4m (£551.9m). The strengthening of the dollar added £391m to the total.

Capital was adequate to fuel further growth, added Mr Robertson. "I don't think we will be under any pressure at this point in the cycle."

Despite a net loss of £65m from hurricane Andrew, which caused extensive damage in Florida and Louisiana in August, underwriting losses fell to £510.1m (£569.1m). Other storm losses amounted to £47m.

Investment income rose to £504.9m (£448.8m). The estate agency side reported losses of £18.8m (£17.8m). Life profits were £34.8m (£27m).

Loan interest amounted to £40.1m (£39.7m).

Losses emerged at 7p (32.1p). A final dividend of 17.05p makes a same-again 26.75p

total, which is uncovered for a third successive year.

The improvement at General Accident has been most marked in the UK, where rises in premium rates fed through into a reduction of underwriting losses to £175.2m (£241.9m).

Increases in motor rates and a sharp reduction in exposures, helped cut the loss in motor business to £68.5m (£113.9m), although Mr Robertson acknowledged that the improvement was weaker than that reported by some of the company's competitors.

Price increases of more than 20 per cent helped the home-owners' account turnaround from losses of £37.9m to a profit of £9.3m. All other lines showed improvement.

However, in the US underwriting losses climbed to £323.7m (£228m), against £214.7m, reflecting both the storm losses and a decision to increase reserves on commercial liability following the notification of more potential environmental claims.

See Lex

Bad debts leave Baltic £6.5m in red

By Jane Fuller

AFTER provisions of £13.1m for bad debts and property, Baltic, the leasing group, made a pre-tax loss of £6.5m last year, compared with a profit of £9.1m in 1991.

The final dividend is cut to 0.5p, making a total of 1p, down from 4.33p.

Mr Michael Goddard, chairman, said a further £3.3m had been added to bad debt provisions since the interim stage. Withdrawal from construction equipment and aircraft financing incurred charges of £8.2m. A further £2m was written off property values.

Operating profit declined by 49 per cent

to £8.02m (£11.8m) on turnover of £35.5m (£38.5m). More than a quarter of turnover was accounted for by contract hire, which has been disposed of.

On continuing activities a profit of £2.34m (£21.2m) was made after the £13.1m provisions. The main items in the leasing portfolio are forklift trucks, other handling equipment and vehicles, and computers.

Mr Harry Hyman, finance director, warned that there could be further bad debt provisions this year. The group believed that any fall in the level of bad debts would lag behind economic recovery.

Attempts to rebuild profitability were constricted by the lack of funding. "With-

out gearing an asset finance company will

not make an acceptable return on capital." Mr Goddard said business had been badly affected by the poor reputation of asset finance, leading "some banks indiscriminately to withdraw financing across the sector."

The group's asset finance portfolio had been reduced from £220m to £90m and net debt came down £75m to £46m.

Since the year-end the contract hire sale had reduced it further to £22m.

Interest costs declined from £14.2m to £11.9m. Mr Hyman said they would be far lower this year.

Diluted losses per share were 16.9p (earnings 13.3p). Basic losses were 27p (earnings 14.7p).

Wm Sinclair down 18%

By Andrew Adonis

WILLIAM SINCLAIR Holdings, the Lincoln-based supplier to the garden leisure and pet markets, attributed an 18 per cent fall in interim pre-tax profits to £1.39m to seasonal changes in its sales profile.

Earnings fell to 4.4p (6.8p) but the interim dividend is maintained at 1.7p.

Turnover of £16.6m (£16.3m) included a £1.5m contribution from Secto, which was acquired last April.

Mr Tom Sinclair, chairman, said the fall in profits was due to a shift in sales towards the

earlier half of the year, and that turnover and profit levels would improve for the full financial year.

The company was looking for acquisitions to strengthen its pet, aquatic and household division.

Mr Sinclair will resign as chief executive in July, retaining as chairman. Mr Peter Barton, currently managing director, will succeed as chief executive.

Analysts are forecasting full-year profits of £5m, slightly up on last year's £4.6m, assuming fair weather conditions.

Vivat advances to £3m as recovery gathers pace

By Catherine Milton

VIVAT HOLDINGS, the Lee Cooper clothing group, announced pre-tax profits of £3m for the 1992 year, recovering from a year-earlier loss of £878,000.

It is proposing to resume dividends with a 1p final out of earnings per share of 3.9p (losses 1.2p).

A fall in turnover to £73.4m (£89.1m) reflected the closure of loss-making activities. Gearing was cut to 51 per cent (73 per cent).

Mr Christopher Burnett, chairman, said: "1992 was a year of consolidation during which we focused on our core Lee Cooper business and brand."

By focusing on its Lee Cooper brand, Vivat expects to extend its recovery this year. The shares closed up 12p on the day at 45p.

The company made an extraordinary provision of £541,000 on top of £4m provided a year earlier against its liability for about 40 retail property leases it had sold in 1988. It regained responsibility for the leases when the purchaser, Chelsea Man, went into administrative receivership.

The company has not yet adopted new accounting rules which restrict the use of extraordinary items but believes its leasehold liabilities would still qualify as extraordinary next year when the new standard is compulsory.

MAM lifts Owners stake

By Richard Gourlay

MERCURY Asset Management has bought 1m shares in Owners Abroad, increasing its stake to 14.07 per cent in the holiday company that is fighting a hostile £268m takeover bid from rival Air-tours.

The purchases were reported yesterday and executed at an average price just below 134p, where Owners share price

closed unchanged yesterday.

Airtours closed 1p down at 306p.

Mercury said last night that it had yet to decide whether or not to accept Airtours' offers.

Mercury is Owners Abroad's largest shareholder and held 13.4 per cent before the latest purchase. At the same time, Scottish Amicable reported that it had reduced its stake to 3.7 per cent through the sale of 250,000 shares at 132p.

BM selling Blackwood Hodge parts to Imaco

By Jane Fuller

BM GROUP, the construction equipment and engineering concern, has sold the UK and Spanish parts of Blackwood Hodge, the international distributor which it took over in September 1990.

BM's share price plummeted last summer due to the sudden departure through ill health of Mr Roger Shute, its chairman.

Mr Howard Sutton, chief executive, said yesterday the group was seeking to sell some peripheral or loss-making businesses. He denied rumours that BM Plant was being sold to its management.

The buyer of Blackwood Hodge UK and Spain, plus two other small subsidiaries, is International Machinery Com-

pany.

Its chief executive is Mr Gordon Brown, one of the three Yorkshire brothers who built up Brown Group International, which went into receivership in June 1990 with debts of about £90m.

Mr Brown launched Imaco with the purchase of some of Brown Group's construction equipment operations from the receiver. Its annual turnover will be more than doubled by the sales of more than £20m brought in through the purchases from BM.

Imaco, based in Wetherby, gained a franchise to sell Terex dump trucks last year, taking it into competition with Blackwood Hodge UK. It also distributed Samsung excavators and wheeled loaders.

Brabant urges rejection of Aberdeen bid

By Peggy Hollinger

Brabant Resources, the oil and gas explorer, yesterday urged shareholders to reject the all-share bid from Aberdeen Petroleum as its prepares to issue its defence document early next week.

Mr Nicholas Gay, finance director, asked investors, "especially small shareholders, to wait for what we send them."

The defence document is expected to address several issues raised by Aberdeen in its final offer submission.

These include Aberdeen's estimate that in the period from its formation in 1986 to December 31 1991 Brabant spent £14m on exploration.

Brabant is expected to argue that this includes the carrying costs of assets held as a result of acquisitions. The figure quoted by Brabant is likely to be closer to £5m.

The exploration company is also preparing to attack Aberdeen's overhead costs. Brabant will claim that its overheads, which have averaged 9 per cent of turnover for the last three years, compares favourably with Aberdeen's 27 per cent average.

Aberdeen is offering 35 shares for every 10 of Brabant's. Aberdeen shares closed 1p down at 16 1/4p yesterday, while Brabant's were steady at 42p. Both companies are quoted on the USM.

Irish government invites bids for Greencore stake

By Peggy Hollinger

THE IRISH government yesterday threw open the bidding for its 30.4 per cent stake in Greencore, the recently privatised agribusiness group, following reported objections from minority coalition partners over proposals to sell the holding to a US agricultural conglomerate.

In a statement issued yesterday, the government said it had intended to dispose of the stake through an institutional placing. However, following approaches from an international food group - believed to be Illinois-based Archer Daniels Midland - and several Irish food companies, it decided to open the bidding until March 24.

Although ADM has categorically denied it is involved in discussions on buying the stake, speculation now centres on Alfred Topfer, a European associate of the US company. Yesterday, that company also denied it was involved.

The decision to put the stake

on the open market is reported to have angered management at Greencore, which has been seeking a partner to help it expand in Europe.

In a statement released yesterday, Greencore confirmed that it had introduced a company, believed to be a European associate of ADM, to the government with a view to buying the stake. However, it had not been informed of approaches from Irish parties.

Observers in Dublin speculated that the Greencore stake had become a political football, following the controversy over last week's decision by Digital Equipment, the US computer maker, to close its manufacturing facility at Galway. "Games are being played by the minority parties," said one observer. "They cannot be seen to be selling it immediately."

The government stressed in its statement that any decision on the stake would be based on price and the "long-term strategic development of Greencore as a major Irish food company". Greencore's own state-

ment, however, stressed its interest in developing an "Irish-based international food group".

Most analysts dismissed the possibility of an Irish company taking the stake. The two domestic groups which analysts suggested would have the cash were Dairygold and Fyffes. Neither would bring any strategic advantages to Greencore, observers said.

The favourite was still ADM or a company associated with it. Greencore will have the last say in any substantial sale by the government, as disposals of 15 per cent or more require the approval of shareholders at an extraordinary meeting.

Greencore announced yesterday that its shares, suspended at 24 1/2p in London on Monday, would resume trading this morning.

Reports of the proposal from the international food group cited an offer of about 260p per share, valuing the stake at £66m. The group is believed to be prepared to go as high as 280p.

Charles Schwab is your direct link to U.S. investing.

Service designed for the independent investor
24-hour access to U.S. market information
Savings on commissions

To receive a free brochure on Schwab's products and services call toll-free:

France - 05 90 81 03
Germany - 0130 81 74 65
Britain - 0800 526027

Or complete and return this coupon.



Name _____
Address _____
Country _____ Postal Code _____
Phone _____
Charles Schwab Limited
55 South Audley Street
Mayfair, London W1Y 6PA
United Kingdom
FAX 44-71-495-0799

Or call 44-71-495-7444
Charles Schwab

This document has been issued by Charles Schwab & Co., Inc., a U.S. broker, and has been approved for distribution in the U.K. by Charles Schwab & Co. (UK) Limited, a U.K. company and member of the U.K. Financial Services Authority. It is not intended to be used as a basis for investment decisions. It is not a recommendation or an offer to sell or buy any security or to participate in any transaction. It is not intended to be used as a basis for investment decisions. It is not a recommendation or an offer to sell or buy any security or to participate in any transaction. It is not intended to be used as a basis for investment decisions. It is not a recommendation or an offer to sell or buy any security or to participate in any transaction.

STAY ONE STEP
AHEAD
FROM SYDNEY
TO SEOUL.

You'll find the Financial Times on many leading airlines and at hotels and kiosks in business centres all around the world. So wherever your business takes you, our news and views can still be part of your business day.

Any problems call the FT Copyline on 49 69 15685150.

FINANCIAL TIMES
CURRENCY EXCHANGE

هكذا من النقص

COMPANY NEWS: UK

Analysts search for 'headline' earnings

By Andrew Jack

LEADING financial analysts yesterday called for companies to provide a new "headline" earnings figure in their annual accounts which would show their trading performance.

In a widely circulated draft, the Institute of Investment Management and Research, formerly the Society of Investment Analysts, calls for the publication of a new figure which strips out the effect of profits or losses on capital items.

The proposal has been generated by the changes brought about by FRS 3, the new accounting standard on the profit and loss account, which places all elements of company performance above the line, or before the earnings figure.

However, the standard also leaves scope for companies to quote a second earnings figure on a different basis, and the institute is hoping that its own version will become an industry standard.

The headline figure would remove all profits or losses including the tax effects of goodwill, prior year adjust-

ments, the costs of eliminating discontinued operations, and the sale of fixed assets or businesses except those bought for resale.

The idea is to provide a universally adopted figure which would be robust, factual and reflect a company's trading position during the year.

The institute is holding discussions with the Stock Exchange which could lead to an amendment to the "Yellow Book" of listing requirements for quoted companies, and would require them to include the new figure in their preliminary announcements.

The headline earnings figure is also likely to be adopted by the Financial Times, which will mention it in company results stories and may adopt it as the basis for calculating price/earnings ratios.

Other organisations such as ERM will also adopt the headline figure in their stories.

The new figure was produced by a sub-committee created by the institute on the day the final version of FRS 3 was published last year.

Originally it proposed a

"maintainable" earnings figure which would have attempted to show a company's future profitability. But it concluded that it was impossible to derive such a figure consistently since so much depended on judgment.

Mr David Damant, chairman of the committee, said: "A definition of earnings refers to a number chosen for a specified purpose. One number cannot do everything."

He added that calculating a maintainable earnings figure would remain the preserve of individual analysts and research firms.

The institute's exposure draft supports the idea of FRS 3 as "realistic and constructive". But it says there will continue to be the need for an earnings figure as an unambiguous reference point which encapsulates a company's performance.

The institute's proposals are out for consultation until April 30.

It hopes to have its recommendations in force by the summer, when FRS 3 becomes compulsory for companies with year ends after June 22.

Russell Hobbs recovery helps Pifco

By Roland Rudd

A RETURN to the black at Russell Hobbs Tower helped Pifco, the electrical appliances group, report a 79 per cent increase in profits for the half year to October 31.

Profits rose from £577,000 to £1,031m pre-tax on sales down from £21.8m to £20.4m.

Mr Michael Webber, chairman, said the fall in turnover reflected the group's drive for profitability over market share.

Extensive surgery had returned Pifco to profitability for the first time since the company was bought from the administrators of Polly Peck International in April 1991. In the 28 months before the acquisition it incurred losses of £31m.

Mr Webber said: "There is still more to be done in changing the culture of the company. There is no quick fix."

Export sales to some 40 countries accounted for almost a quarter of revenue. Within five years the group hopes that half of turnover will be generated by exports.

Tight control over working capital and overhead costs resulted in nil gearing. Earnings per share rose to 11.8p (6.9p). The interim dividend is maintained at 3.5p.

Estate agency loss totals £226m since acquisition in 1987

Sale sign erected over Cornerstone

By John Gepper, Banking Correspondent

ABBEY NATIONAL yesterday disclosed that it had lost a total of £226m on estate agency since it acquired its business in 1987.

The company now intends to sell the Cornerstone residential estate agency, which has 355 branches.

The loss comprises £88m in total operating losses over five years, and £126m in goodwill written off to reserves as well as a further £12m in restructuring costs in 1992.

Sir Christopher Tugendhat, Abbey chairman, said that the company had bought the estate agency chain to protect its share of the mortgage lending market. But its agents referred no more business proportionately than intermediaries.

"The essential reason for buying it was to defend our flank. Since then, we have discovered that it does not have that strategic advantage," said Sir Christopher.

The goodwill write-off, which was taken as an exceptional item because Abbey is now complying with the new reporting standard, leaves only £15m of goodwill in reserves. Some £14m of goodwill was taken into reserves on acquisition.

Abbey's decision to dispose of its estate agency business, which made a trading loss of £20m (£19m) in 1992, contrasts with building societies which

are holding on to loss-making chains in the hope that they will return to profit.

The Cornerstone residential estate agency business, which achieved a small increase in the number of houses sold, closed a further 58 branches as part of rationalisation, compared with 16 branch closures in 1991.

Sir Christopher said it was "always difficult to see the best of times or the worst of times to sell something". But Abbey believed it was sensible to sell now amid signs of the housing market "coming out of the doldrums".

Abbey currently gains £500m a year of mortgage business through the Cornerstone chain.

Mr Peter Birch, Abbey chief executive, said that Abbey had found it was getting a similar flow of business through other estate agents that it did not own.

A large number of building societies - as Abbey was in 1987 - started to acquire estate agency chains as a defensive measure because they believed that their share of mortgage lending was threatened by new lenders.

Mr Peter Birch, Abbey chief executive, said that Abbey had found it was getting a similar flow of business through other estate agents that it did not own.

Woolwich Building Society disclosed last week that its Woolwich Property Services



Peter Birch (left) and Sir Christopher Tugendhat: fear of mortgage lending competition proved illusory

estate agency business, which has 267 offices and is the seventh largest corporate estate agent in Britain, incurred a trading loss of £11m during 1992.

If Abbey is unable to dispose of the chain as a whole, it will sell branches in regional blocks.

It believes it will be able to achieve a higher price than the

£15m of goodwill remaining its reserves after the write-off.

Abbey's move is one of the largest attempted disposals of a corporate chain since Prudential disposed of or closed more than 500 of its branches during 1990.

Abbey is advised on the sale by Kleinwort Benson.

See Lex

Loan notes sale boosts Norex

By Jane Fuller

NOREX, the financial services group, made a £28.7m profit on the sale of loan notes in Global Marine, the American oil rig company.

This boosted pre-tax profit from £22.6m to £28.1m for the six months to December 31 on turnover of £4.18m (£4.67m).

Three years ago Norex America and its partners bought about \$240m (£169m) of Global Marine's debt, becoming the main creditors after the rig builder moved from Chapter 11. Norex America, in which the UK group has a 48 per cent stake, took \$134m on to its own books, buying it at a 32 per cent discount to face value.

Global Marine has bought back the outstanding debt at 96 per cent of face value. Norex America received \$99m gross, of which \$29m was used to repay bank loans.

In the interim up to \$8m a year has been earned on the difference between interest received on the loan notes and interest paid on the associated debt.

Mr Kristian Siem, the Norwegian entrepreneur who is managing director of Norex and

chairman of Norex America, said cash from the sale of a cruise business had been invested in the Global Marine loan notes.

"It so happened it was easier and cheaper to acquire the debt than to buy companies directly. The debt was never converted to equity and we are delighted with the dividends and the profit."

Norex America would look for further opportunities on the marine side, concentrating more on the financial angles than on actual operation. There is a role to play when banks are not lending and we are in a capital intensive business," Mr Siem said.

Results of Norex, announced yesterday, showed an operating profit of £855,000 (£484m). Insurance broking was ahead of expectations and losses were cut in the executive travel agency.

After a minority charge of £17.7m, attributable profit stood at £10.4m. Earnings per share were 112.51p (4.95p) and again no interim dividend is declared.

Norex is 42 per cent owned by a Bermuda-based trust with members of Mr Siem's family as its beneficiaries.

Carpentright appoints float team

By Maggie Urry

CARPENTRIGHT of London, Sir Phil Harris's carpet, retail chain, has appointed advisers and non-executive directors ahead of its flotation, planned for the summer. Details of the float are yet to be finalised but the group is expected to be valued at between £50m and £100m.

Carpentright made a pre-tax profit in the year to April 1992 of £2.8m, up from £351,000 the year before. Its interim profits jumped from £1.1m to £3.4m, and analysts are expecting profits for the current year to top £7m.

The non-executives appointed yesterday are Sir Harry Djanogly, a non-executive director of Coats Vilella and Singer and Friedlander, and Mr Gerald Dennis, chairman of Alexandra Workwear and Domino Printing Sciences.

Sir Harry chaired Nottingham Manufacturing, the textile group which was bought by Coats, and Mr Dennis was deputy chairman of BAT Industries.

Sponsors to the float are County NatWest and the brokers are SG Warburg Securities.

See Observer

Harrington Kilbride lifted by acquisitions

By Andrew Adonis

HARRINGTON Kilbride, the specialist publisher, reported profit and turnover sharply ahead in the year to end-December.

Pre-tax profits advanced 46 per cent to £1.87m (£1.27m), on turnover up 68 per cent to £15.4m (£9.19m).

The company, floated in December 1991, has been expanding rapidly. It now has 40 titles, including the Employment Gazette, a government

contract won from HMSO last year. More than half of turnover was generated overseas, almost all from controlled circulation publications.

Expansion has been largely funded by borrowing. Net debt at the year-end rose from £1m to £2.4m, taking gearing to 65 per cent. However, falling interest rates cut net interest charges to £211,000 (£279,000).

Earnings per share were 11.8p (10.2p). The recommended final dividend is 3p, making 4.5p for the year.

NOTICE OF REDEMPTION TO THE HOLDERS OF



2% Per Cent. Convertible Subordinated Debentures Due 2003
Convertible into Class A Special Common Stock of
Comcast Corporation
Redemption Date: March 17, 1993
Conversion Right Expires Close of Business on Redemption Date

NOTICE IS HEREBY GIVEN THAT, pursuant to Sections 7.2 and 7.3 of the Indenture dated as of April 15, 1988 between Comcast Corporation (the "Company") and Bankers Trust Company, as Trustee, the Company has elected to redeem all of its outstanding 2% per cent. Convertible Subordinated Debentures due 2003 (the "Debentures") on March 17, 1993 (the "Redemption Date"), at the redemption price of 101.179% of their principal amount, together with accrued interest thereon from April 15, 1992 to the Redemption Date in the amount of \$26.38 per \$1,000 Debenture, or a total of \$1,087.15 per \$1,000 Debenture (the "Redemption Price").

On the Redemption Date (unless the Company shall default in the payment of the Redemption Price), the Redemption Price will become due and payable on all Debentures. Payment of the Redemption Price will be made on or after the Redemption Date upon presentation and surrender of the Debentures together, in the case of Debentures in bearer form ("Bearer Debentures") with all interest coupons appertaining thereto (the "Coupons") maturing after the Redemption Date, at the office of one of the Paying Agents as specified below. On and after the Redemption Date, interest on the Debentures will cease to accrue, any Coupons maturing thereafter will be void, and the only remaining right of the holders of the Debentures after such date will be to receive payment of the Redemption Price upon presentation and surrender of the Debentures, together with all Coupons maturing after the Redemption Date, to one of the Paying Agents as specified below. If any Bearer Debenture surrendered for redemption is not accompanied by all Coupons maturing after the Redemption Date, such Bearer Debenture will be paid after deducting from the Redemption Price the face amount of all such missing Coupons. Each amount so deducted will be paid in the manner set forth herein against surrender of the related missing Coupon. All Debentures submitted after the Redemption Date are to be surrendered for payment of the Redemption Price at the office of one of the Paying Agents as specified below.

The Debentures are convertible into Class A Special Common Stock of the Company at any time until the close of business on March 17, 1993. Each \$1,000 principal amount of Debentures is convertible into 80.819 shares of Class A Special Common Stock, representing a conversion price of approximately \$12.37, after giving effect to a three-for-two stock split effective October 1989.

In order to exercise the conversion right, a Debenture (together with all unexpired Coupons) must be surrendered at the office of one of the Conversion Agents as specified below with the Election to Convert on the reverse of the Debenture duly signed and completed, including the name or names and address in which the certificates for Class A Special Common Stock shall be registered and any check in lieu of fractional shares shall be issued), by the close of business on the Redemption Date. The right of conversion will terminate at the close of business on the Redemption Date. No payments of interest or dividends shall be made upon conversion of any Debenture. Cash will be paid in lieu of fractional shares.

Based on the closing price of the Class A Special Common Stock on February 9, 1993 of \$19.75, as reported on the NASDAQ National Market System, each \$1,000 Debenture would convert into \$1,596.18 worth of Class A Special Common Stock.

Paying and Conversion Agent for Registered Debentures

Bankers Trust Company
Corporate Trust and Agency Group
Four Albany Street
New York, New York 10006

Paying and Conversion Agents for Bearer Debentures

Barque Indosuez Luxembourg
30 Allee Scheffer
L-2520 Luxembourg

Swiss Bank Corporation
1 Aeschenvorstadt
CH-4002 Basle

Important Tax Information

Redemption
Holders of Bearer Debentures will generally not be subject to backup withholding so long as there is no reason to believe that the holder is a United States person and therefore such persons need not file any statement or form upon redemption.

Under United States federal income tax law, a holder of a Registered Debenture may be subject to backup withholding at a rate of 31% upon the redemption of a Debenture. Backup withholding is not an additional tax. Rather, it is a credit against year end tax liability and if it results in an overpayment of taxes a refund is obtainable. In order to avoid the possibility of such backup withholding, holders who are foreign persons with respect to the United States whose Debentures are registered in their names must provide a Form W-8 certifying that they are foreign persons. If the holder is not a foreign person then to avoid backup withholding the holder generally must supply his correct taxpayer identification number on a Form W-9. Those persons who are required to provide their correct taxpayer identification numbers and who fail to do so may be subject to a penalty of \$50.

Conversion
Holders of Class A Special Common Stock acquired on conversion of either Registered or Bearer Debentures who are foreign persons to the United States must file a Form W-8 with the Conversion Agent in order to avoid backup withholding with respect to dividends on the stock. Filing of the Form W-8 does not exempt a foreign shareholder from the 30% United States withholding tax applicable to dividends paid to such foreign persons. Foreign shareholders may be entitled to reduced withholding tax under applicable treaties and each should review such possible treaty benefits with his own tax advisors. If any holder who is not a foreign person converts his Debentures he must provide a Form W-9 in order to avoid backup withholding. Copies of Forms W-8 and W-9, with instructions, are obtainable from any one of the Paying and Conversion Agents.

COMCAST CORPORATION
By: BANKERS TRUST COMPANY
as Trustee

Dated: February 15, 1993

FINAL OFFERS

BY
BZW AND BRITISH LINEN BANK ON
BEHALF OF



("AIRTOURS")
FOR
OWNERS ABROAD GROUP Plc
("OWNERS ABROAD")

Barclays de Zotte World Limited ("BZW") and British Linen Bank Limited ("British Linen Bank") announce on behalf of Airtours that, by means of a formal offer document (the "Final Offer Document") dated 2 March 1993, Airtours, through BZW and British Linen Bank, makes an offer of final offers (the "Final Offers") to acquire the whole of the ordinary and convertible preference share capital of Owners Abroad (the "Owners Abroad Shares"). Terms defined in the Final Offer Document have the same meanings in this advertisement.

The Final Offers comprise 15 Airtours Ordinary Shares for every 34 Owners Abroad Ordinary Shares (the "Final Ordinary Offer") and 218 Airtours Convertible Preference Shares for every 100 Owners Abroad Convertible Preference Shares (the "Final Convertible Preference Offer").

Owners Abroad Ordinary Shareholders who accept the Final Ordinary Offer may elect to receive, in respect of up to approximately 55 per cent of their shareholdings in Owners Abroad, a Partial Cash Alternative instead of some of the Airtours Ordinary Shares to which they would otherwise be entitled under the Ordinary Offer on the basis of 275p in cash for each Airtours Ordinary Share.

Owners Abroad Convertible Preference Shareholders who accept the Final Convertible Preference Offer may elect to receive, in respect of up to approximately 55 per cent of their shareholdings in Owners Abroad, a Partial Cash Alternative instead of some of the Airtours Convertible Preference Shares to which they would otherwise be entitled under the Convertible Preference Offer on the basis of 100p in cash for each Airtours Convertible Preference Share.

The full terms and conditions of the Final Ordinary Offer, the Final Convertible Preference Offer and the Partial Cash Alternative are set out in the Final Offer Document.

The Final Offers are not being made in the United States or Canada or by use of the mails or by any means or

This notice appears as a matter of record only.

GARTMORE PHOENIX FUND

AVIS AUX PORTEURS DE PARTS

Agissant en sa qualité de Société de Gestion du Fonds commun de Placement GARTMORE PHOENIX FUND, le Conseil d'Administration a décidé en date du 22 février 1993 de verser un dividende de 15 cents par part aux porteurs de parts du Fonds GARTMORE PHOENIX FUND.

Le paiement du dividende sera effectué en date du 03/03/93.

Le Conseil d'Administration

Prices for electricity delivered to the purchaser (excluding VAT and transmission charges) in pence per kWh			
Location	Period	Price	Price
London			
0100	18.91	18.90	18.90
0100	30.78	21.85	22.81
0100	30.78	21.85	22.81
0200	30.78	21.85	22.81
0200	28.84	21.85	22.81
0200	28.84	21.85	22.81
0300	22.81	18.90	18.90
0300	18.91	18.91	18.91
0400	18.91	17.78	17.78
0500	18.91	18.91	18.91
0500	18.91	18.91	18.91
0600	18.91	18.91	18.91
0600	18.91	18.91	18.91
0700	24.08	21.87	22.82
0700	24.08	21.87	22.82
0800	24.08	21.87	22.82
0800	24.08	21.87	22.82
0900	24.08	21.87	22.82
0900	24.08	21.87	22.82
1000	24.08	21.87	22.82
1000	24.08	21.87	22.82
1100	24.08	21.87	22.82
1100	24.08	21.87	22.82
1200	24.08	21.87	22.82
1200	24.08	21.87	22.82
1300	24.08	21.87	22.82
1300	24.08	21.87	22.82
1400	24.08	21.87	22.82
1400	24.08	21.87	22.82
1500	24.08	21.87	22.82
1500	24.08	21.87	22.82
1600	24.08	21.87	22.82
1600	24.08	21.87	22.82
1700	24.08	21.87	22.82
1700	24.08	21.87	22.82
1800	24.08	21.87	22.82
1800	24.08	21.87	22.82
1900	24.08	21.87	22.82
1900	24.08	21.87	22.82
2000	24.08	21.87	22.82
2000	24.08	21.87	22.82
2100	24.08	21.87	22.82
2100	24.08	21.87	22.82
2200	24.08	21.87	22.82
2200	24.08	21.87	22.82
2300	24.08	21.87	22.82
2300	24.08	21.87	22.82
2400	24.08	21.87	22.82
2400	24.08	21.87	22.82
2500	24.08	21.87	22.82
2500	24.08	21.87	22.82
2600	24.08	21.87	22.82
2600	24.08	21.87	22.82
2700	24.08	21.87	22.82
2700	24.08	21.87	22.82
2800	24.08	21.87	22.82
2800	24.08	21.87	22.82
2900	24.08	21.87	22.82
2900	24.08	21.87	22.82
3000	24.08	21.87	22.82
3000	24.08	21.87	22.82

Dow Jones Telecast Conferences

New Horizons New Risks In the Foreign Exchange Market

A major international conference on emerging currency markets will be hosted by Dow Jones Telecast in association with The Wall Street Journal Europe in London on 15 March 1993. The conference will consider the significant opportunities offered by the foreign exchange markets of Eastern Europe, Latin America and the "New Tigers" of Indonesia, Thailand and Malaysia.

The top line-up of speakers will include:

- Nigel Lawson, Chancellor of the Exchequer (1983-1989)
- David Clark, Treasurer Europe, HSBC Holdings plc and President of the ACI
- Frédéric Harstege, Deputy President, National Bank of Hungary
- Andrei Ilarionov, First Deputy Director, Centre for Economic Reforms, Government of the Russian Federation
- William Rhodes, Vice-Chairman, Citibank
- Richard Watkins, Chief Executive, Latinvest Securities Ltd
- Dominick Harrod, Economics Editor, BBC Television

For further information and registration forms please contact:

Alison Elgar on 071-832 9532 or by fax on 071-353 2791

15 March 1993
Queen Elizabeth II Conference Centre, London

NOTICE To the Holders of

COMMODITIES AND AGRICULTURE

Arizona floods buoy up vegetable prices in US

By Laurie Morse in Chicago

YUMA COUNTY in south-west Arizona is best known for its dry heat and its productive agricultural land, but this week its residents are bracing themselves for a once-in-a-lifetime flood that threatens to put more than 30,000 acres of farmland out of production for a year or more.

The county is the US's primary winter supplier of iceberg lettuce, and the second-largest vegetable growing region in the country, after central California. Yuma County growers last week hustled to harvest what remained of the winter lettuce, broccoli, and cauliflower crops.

The flood has ruffled vegetable marketing channels. Arizona wholesale lettuce prices doubled last week, to \$20 and \$25 a 24-head carton, and were sharply above last year's \$4.50 a carton. Wholesale prices in northern US cities followed the jump and supermarket produce managers say retail prices will rise to \$1.50 per head, from about 49 to 69 cents this week.

The immediate impact of the flood may only last a few weeks, as buyers shift toward spring supplies from central California. However, long-term damage in Yuma county may remain with the market. Mr Hank Gielas, spokesman for the Western Growers Association, which represents Arizona and California farmers, said it was too soon to estimate flood damage. "One thing is sure. You will see significantly reduced supplies of winter vegetables this year, and of summer and fall vegetables next year."

The Gila River, which normally flows gently through Yuma county's flat lowlands, is swollen by record rains. The river is flooding uncontrolled over the spillways of the Painted Rock Dam, just south of Phoenix.

Mr Clyde Gould, district manager for the Wellton-Mohawk Irrigation and Drainage District, expects the flood to peak sometime this week, leaving the Gila two miles wide.

"After the peak passes, the water could stand on the land for as much as two months," Mr Gould said. "I would expect production on that land would go out a minimum of one year."

Mr Keith Kelly, director of Arizona's Department of Agriculture, estimates that farmers will lose \$10m in crops as the flood hits, and \$75m in revenues next season.

'Mini-Opec' formed to tackle CIS energy crisis

By Chrystia Freeland in Surgut

THE LEADERS of 12 former Soviet republics yesterday formed a "mini-Opec" in an effort to resolve their mounting energy crisis. Russian and Ukrainian representatives at the meeting in the western Siberian city of Surgut also appeared to make progress on untangling their conflict over oil and gas prices, which threatens the supply of gas to Europe.

However, while republic's heads agreed in principle to co-operate in an effort to revive Russia's declining oil industry, they skirted the critical question of the pricing of the oil and gas Russia supplies to the other former Soviet republics.

Sounding a conciliatory note, they were optimistic that their agreement to co-operate in a specific sector of the economy would be more effective than the dozens of more general, and widely-ignored, decisions made by Commonwealth of Independent States.

"We have established something similar to the European Steel and Coal Union," said Mr Georgy Khizha, the Russian deputy prime minister. He said that the newly formed association's next step would be to set a uniform price for oil and gas "just as in Opec".

"It is impossible to stop the inflationary spiral without centrally agreed prices for energy," Mr Khizha said. He added that the oil and gas association could serve as a model for inter-republican co-operation.

The direct warning yet on the state of the Russian oil industry came yesterday from Mr Yuri Shafanik, the Energy Minister, writes John Lloyd in Moscow.

Mr Shafanik, interviewed in Rossiskaya Gazeta, said that only an injection of \$50 billion could stop a further production drop of 60m tonnes this year, from the present level of about 390m tonnes. Even with this investment, he said, production would fall by some 40m tonnes, previously said to be the worst estimate.

Forecasting a strengthening role of the state in this sector, Mr Shafanik said that "instead of disbanding ministries [in the energy sector] we must strengthen them and give them extra powers". The Russian government is at present reorganising the oil sector under the control of five large, vertically-integrated state companies.

Mr Shafanik, a former head of the main oil-producing region of Tyumen, revealed that 75 per cent of enterprises were technically bankrupt - but blamed a structure of pricing that made agriculture profitable and oil production unprofitable.

The principal reasons for the decline are a drop in investments in the sector and difficulties in obtaining vital equipment, particularly from non-Russian republics such as Ukraine and Azerbaijan, which were traditionally the oil industry's main suppliers.

The spirit of co-operation appeared to be carried over to Ukrainian-Russian relations, which last week erupted in a bitter dispute over gas prices. Mr Leonid Kuchma, the Ukrainian prime minister, said he had reached a preliminary understanding with Gazprom, the Russian gas company, to pay for gas at about the same, subsidised, prices Russia charges other CIS republics.

However, Mr Kuchma said the issue would not be definitively resolved until later in the week when he planned to meet Russian premier Viktor Chernomyrdin in Moscow.

The association, which will be governed by oil and gas council made up of the prime ministers of the member states and administered by a secretary based in the Siberian oil capital of Tyumen, will co-ordinate investments from all of the republics in the Russian oil industry and in exchange guarantee energy supplies.

Russian oil production, more than 70 per cent of which comes from the Tyumen region, has fallen sharply from a peak of 557m tonnes in 1988 to 385m tonnes last year.

Palladium prices up on catalyst news

By David Blackwell

PALLADIUM prices rose sharply yesterday on news that Allied-Signal of the US had developed an automotive exhaust catalyst using only palladium. Prices of palladium, for which catalysts is the biggest single market, fell sharply, although the New York market

was recovering some of the losses in late trading.

Allied-Signal, a leading catalysts manufacturer with 25 per cent of the market, said its new system eliminated the need for other platinum group metals, reducing the cost of precious metal components by up to 50 per cent.

The news should be taken more seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

In late trading on Nymex yesterday the March palladium contract had retreated from an earlier \$112.50 a troy ounce to \$108.50, up \$6.80.

More seriously than previous announcements of new catalytic systems which have moved platinum group metal prices, analysts suggested. But more details were needed.

Russian grain debt solution 'very close'

By Laurie Morse

DISCUSSIONS in Washington this week between a high-level Russian delegation and Clinton administration officials aimed at resuming US grain shipments to Russia have come down to the issue of who is going to pay the freight.

Mr Mike Espy, the US agriculture secretary, said before his final meeting with the Russians Tuesday that his department was "very close" to an agreement on the issue, and that he hoped to have a package to offer to President Clinton soon. Mr Bill Clinton and Russia's President Boris Yeltsin will meet for a summit on April 4 and trade groups believe Mr Clinton will offer a solution to Russia's grain credit problems in that meeting.

Mr Glenn Whitehead, deputy assistant administrator of the US Department of Agriculture's export credit programmes, said the solution would not include the resumption of commercial credits, which is what Russian officials have requested.

Russia has defaulted on \$415.5m in US-backed commercial grain loans, with \$240.3m more due this month. US grain sales to Russia have stalled because of the credit problems.

While Russia objects to the stigma attached to receiving food aid, Mr Whitehead said those were the programmes under consideration. However, any food donation programme would require legislation by the US Congress on what the USDA can pay to ship donated commodities in a single fiscal year. US humanitarian shipments of food to Africa and eastern Europe this year have already reached that level. Russia will either have to come up with hard currency to pay the freight for grain shipments, or the USDA will have to seek and exemption.

Since US law requires 75 per cent of US food aid to be shipped on US-registered vessels, Russia would have to pay higher freight rates than on commercial shipments.

Mr Dan Basse, a commodities analyst for the consulting group AgResources, estimates that the cargo preference requirement would bring freight costs for shipping \$1bn in US-donated grain to about \$400m.

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Money to buy donated commodities is also running short. Two of the three funding sources for the "food for progress" programme were nearly exhausted, Mr Whitehead said. "Right now we're discussing a variety of programmes."

Eddie Mabo's legacy of fear for Australian miners

A judgment named after an obscure aborigine is threatening the industry, writes Kevin Brown

IN MINING circles, the best known name in Australia is not Paul Keating, the prime minister, but Eddie Mabo, an obscure aborigine activist who lived all his life on an isolated island off the tropical north coast. Mr Mabo, who died last year, gave his name to a historic judgment by Australia's High Court which many mining companies claim is a threat to the future of the resources industry.

Both the Labor government and the conservative opposition have played down the implications of the Mabo case, partly in order to avoid a damaging row with aboriginal activists. However, Australia's approaching federal election has focused attention on the multitude of questions raised by the case that will face whichever is in government after polling day, March 13.

The uncertainty flows from a High Court ruling that Mr Mabo's Meriam aboriginal group owns Murray Island, which lies in the Torres Strait between Australia and New Guinea. The significance of this is the court's recognition that a form of "native title" may exist where ownership of land has not been explicitly transferred to private hands - for example, by freehold sale.

The judgment was greeted with jubilation by aboriginal activists because it extinguishes the constitutional doctrine that Australia was *terra nullius*, or unoccupied, when European settlement began in 1788.

In the long-term, the judgment will help to legitimise aboriginal claims that Australia's indigenous inhabitants were displaced by British settlers and may increase pressure on the government to negotiate a treaty. More immediately, however, it has prompted claims from aboriginal and mining groups alike that which include mines or mining prospects, may be open to similar land claims.

Already, aboriginal groups have indicated that ownership claims will be made on much of the Kimberley region of Western Australia and the Nabulco bauxite mine at Gove in the Northern Territory. Other claims have been discussed, though not yet filed, on MIM Holdings' McArthur River lead/zinc/silver project in the territory and most of central Queensland. More claims are likely according to Mr Mick Dodson, director of the Northern Land Council, an aboriginal

advisory group, who says "blanket land claims" across Australia are likely to prove a "gold mine" for aborigines.

The ruling was the last straw for many people in the mining industry, which was already concerned about the federal government's decision to block a gold project at Coronation Hill because of Aboriginal religious objections. Sir Arvi Parbo, chairman of Western Mining Corporation, says the ruling raises doubts about the legality of existing mines and warns that new projects may be delayed or cancelled.

The judgment extinguishes the constitutional doctrine that Australia was *terra nullius*, or unoccupied, when European settlement began in 1788.

In the long-term, the judgment will help to legitimise aboriginal claims that Australia's indigenous inhabitants were displaced by British settlers and may increase pressure on the government to negotiate a treaty. More immediately, however, it has prompted claims from aboriginal and mining groups alike that which include mines or mining prospects, may be open to similar land claims.

Already, aboriginal groups have indicated that ownership claims will be made on much of the Kimberley region of Western Australia and the Nabulco bauxite mine at Gove in the Northern Territory. Other claims have been discussed, though not yet filed, on MIM Holdings' McArthur River lead/zinc/silver project in the territory and most of central Queensland. More claims are likely according to Mr Mick Dodson, director of the Northern Land Council, an aboriginal

advisory group, who says "blanket land claims" across Australia are likely to prove a "gold mine" for aborigines.

The ruling was the last straw for many people in the mining industry, which was already concerned about the federal government's decision to block a gold project at Coronation Hill because of Aboriginal religious objections. Sir Arvi Parbo, chairman of Western Mining Corporation, says the ruling raises doubts about the legality of existing mines and warns that new projects may be delayed or cancelled.

The judgment extinguishes the constitutional doctrine that Australia was *terra nullius*, or unoccupied, when European settlement began in 1788.

In the long-term, the judgment will help to legitimise aboriginal claims that Australia's indigenous inhabitants were displaced by British settlers and may increase pressure on the government to negotiate a treaty. More immediately, however, it has prompted claims from aboriginal and mining groups alike that which include mines or mining prospects, may be open to similar land claims.

Already, aboriginal groups have indicated that ownership claims will be made on much of the Kimberley region of Western Australia and the Nabulco bauxite mine at Gove in the Northern Territory. Other claims have been discussed, though not yet filed, on MIM Holdings' McArthur River lead/zinc/silver project in the territory and most of central Queensland. More claims are likely according to Mr Mick Dodson, director of the Northern Land Council, an aboriginal

advisory group, who says "blanket land claims" across Australia are likely to prove a "gold mine" for aborigines.

The ruling was the last straw for many people in the mining industry, which was already concerned about the federal government's decision to block a gold project at Coronation Hill because of Aboriginal religious objections. Sir Arvi Parbo, chairman of Western Mining Corporation, says the ruling raises doubts about the legality of existing mines and warns that new projects may be delayed or cancelled.

The judgment extinguishes the constitutional doctrine that Australia was *terra nullius*, or unoccupied, when European settlement began in 1788.

In the long-term, the judgment will help to legitimise aboriginal claims that Australia's indigenous inhabitants were displaced by British settlers and may increase pressure on the government to negotiate a treaty. More immediately, however, it has prompted claims from aboriginal and mining groups alike that which include mines or mining prospects, may be open to similar land claims.

Already, aboriginal groups have indicated that ownership claims will be made on much of the Kimberley region of Western Australia and the Nabulco bauxite mine at Gove in the Northern Territory. Other claims have been discussed, though not yet filed, on MIM Holdings' McArthur River lead/zinc/silver project in the territory and most of central Queensland. More claims are likely according to Mr Mick Dodson, director of the Northern Land Council, an aboriginal

advisory group, who says "blanket land claims" across Australia are likely to prove a "gold mine" for aborigines.

advisory group, who says "blanket land claims" across Australia are likely to prove a "gold mine" for aborigines.

The ruling was the last straw for many people in the mining industry, which was already concerned about the federal government's decision to block a gold project at Coronation Hill because of Aboriginal religious objections. Sir Arvi Parbo, chairman of Western Mining Corporation, says the ruling raises doubts about the legality of existing mines and warns that new projects may be delayed or cancelled.

The judgment extinguishes the constitutional doctrine

LONDON SHARE SERVICE

INVESTMENT TRUSTS - CONT.

هكذا من الأصل

INVESTMENT TRUSTS - Cont.

Trust Name	Price	Change	Dividend	Yield
Scottish Widows	150	+10	1.50	1.0%
Windsor	145	+5	1.40	0.9%
Investment Company of London	140	+15	1.30	0.8%
Investment Trusts Ltd	135	+10	1.20	0.7%
Investment Trusts plc	130	+5	1.10	0.6%
Investment Trusts Ltd	125	+10	1.00	0.5%
Investment Trusts Ltd	120	+5	0.90	0.4%
Investment Trusts Ltd	115	+10	0.80	0.3%
Investment Trusts Ltd	110	+5	0.70	0.2%
Investment Trusts Ltd	105	+10	0.60	0.1%

MERCHANT BANKS

Bank Name	Price	Change	Dividend	Yield
Barclays Bank	120	+10	1.20	1.0%
HSBC Bank	115	+5	1.10	0.9%
Bank of America	110	+10	1.00	0.8%
Bank of England	105	+5	0.90	0.7%
Bank of Scotland	100	+10	0.80	0.6%
Bank of Ireland	95	+5	0.70	0.5%
Bank of Wales	90	+10	0.60	0.4%
Bank of Cyprus	85	+5	0.50	0.3%
Bank of Greece	80	+10	0.40	0.2%
Bank of Spain	75	+5	0.30	0.1%

OIL & GAS - Cont.

Company Name	Price	Change	Dividend	Yield
BP	120	+10	1.20	1.0%
Shell	115	+5	1.10	0.9%
British Petroleum	110	+10	1.00	0.8%
Esso	105	+5	0.90	0.7%
Agip	100	+10	0.80	0.6%
Eni	95	+5	0.70	0.5%
Indesit	90	+10	0.60	0.4%
Eni	85	+5	0.50	0.3%
Indesit	80	+10	0.40	0.2%
Eni	75	+5	0.30	0.1%

PACKAGING, PAPER & PRINTING - Cont.

Company Name	Price	Change	Dividend	Yield
Wiggins Teape	120	+10	1.20	1.0%
Wiggins Teape	115	+5	1.10	0.9%
Wiggins Teape	110	+10	1.00	0.8%
Wiggins Teape	105	+5	0.90	0.7%
Wiggins Teape	100	+10	0.80	0.6%
Wiggins Teape	95	+5	0.70	0.5%
Wiggins Teape	90	+10	0.60	0.4%
Wiggins Teape	85	+5	0.50	0.3%
Wiggins Teape	80	+10	0.40	0.2%
Wiggins Teape	75	+5	0.30	0.1%

TELEPHONE NETWORKS

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

MINES - Cont.

Company Name	Price	Change	Dividend	Yield
Anglo American	120	+10	1.20	1.0%
Anglo American	115	+5	1.10	0.9%
Anglo American	110	+10	1.00	0.8%
Anglo American	105	+5	0.90	0.7%
Anglo American	100	+10	0.80	0.6%
Anglo American	95	+5	0.70	0.5%
Anglo American	90	+10	0.60	0.4%
Anglo American	85	+5	0.50	0.3%
Anglo American	80	+10	0.40	0.2%
Anglo American	75	+5	0.30	0.1%

INVESTMENT COMPANIES

Company Name	Price	Change	Dividend	Yield
Investment Company of London	140	+15	1.30	0.8%
Investment Trusts Ltd	135	+10	1.20	0.7%
Investment Trusts plc	130	+5	1.10	0.6%
Investment Trusts Ltd	125	+10	1.00	0.5%
Investment Trusts Ltd	120	+5	0.90	0.4%
Investment Trusts Ltd	115	+10	0.80	0.3%
Investment Trusts Ltd	110	+5	0.70	0.2%
Investment Trusts Ltd	105	+10	0.60	0.1%
Investment Trusts Ltd	100	+5	0.50	0.0%
Investment Trusts Ltd	95	+10	0.40	0.0%

MISCELLANEOUS

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

OTHER FINANCIAL

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

PROPERTY

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

TRANSPORT

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

WATER

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

MEDIA

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

MOTORS

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

OTHER INDUSTRIALS

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

STORES

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

PLANTATIONS

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

MINES

Company Name	Price	Change	Dividend	Yield
British Telecom	120	+10	1.20	1.0%
British Telecom	115	+5	1.10	0.9%
British Telecom	110	+10	1.00	0.8%
British Telecom	105	+5	0.90	0.7%
British Telecom	100	+10	0.80	0.6%
British Telecom	95	+5	0.70	0.5%
British Telecom	90	+10	0.60	0.4%
British Telecom	85	+5	0.50	0.3%
British Telecom	80	+10	0.40	0.2%
British Telecom	75	+5	0.30	0.1%

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4978.

Continued on next page

FT MANAGED FUNDS SERVICE • Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

[illegible]

● Current Unit Trust prices are available from FT Cityline. For further details call (071) 873 4378.

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and values are designated with no penny prior to U.S. dollars. Yield % is after tax for all savings investors. Prices of certain debt insurance linked funds subject to capital gain tax on redemption. In the United States free of UK Income Tax & Residence provisions. The following are listed as "Special Funds" by the Financial Services Commission as a UCITS (Undertakings for Collective Investment in Transferable Securities) offered outside the European Economic Community.

Previous day's price to Germany from 8 p.m. onwards.
Yield before Jersey tax. If ex-dividend, if fully available to charitable bodies or Vesta column shows annualized return.

(*) Funds not USDC recognised. The regulatory authorities for these funds are: Guernsey Financial Services Commission; Jersey Financial Services Commission; Luxembourg Financial Services Department; Luxembourg Institute for Monetary Luxembourgian.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar weakens on rate news

The dollar weakened slightly against the D-Mark yesterday after the Bundesbank revealed that it would not be cutting the rate at which it offers whole-sale funds to German commercial banks, *writes James Bliz*.

Currencies in the European exchange rate mechanism were mostly unaffected by the Bundesbank's decision to leave the 14-day repo in its weekly securities repurchase tender unchanged at 8.49 per cent.

However, the German central bank's decision showed a far more cautious stance on monetary policy than foreign exchange dealers had expected, and the run-up to tomorrow's Bundesbank council meeting will be unsettled. Mr Gerard Lyons, chief economist at DKB International, believes that if the discount rate is not reduced the French franc will break through the FF3.40 level against the D-Mark in the ERM, closer to its floor of FF3.4300.

For some days now, the dollar has been trading in a broad range of DM1.62 to DM1.650, restrained by indicators that show the US economy is recovering at only a sluggish pace.

Yesterday's move by the Bundesbank underlined that the differential between US

and German short-term rates may remain in the D-Mark's favour for some time to come. There was also a disappointing economic indicator, with US new home sales slumping 13.8 per cent in January after a downward revised 4.7 per cent increase in December.

The dollar closed at DM1.6425 from a previous DM1.6485. At lunchtime in New York, it had weakened to DM1.6420.

In Europe, the French franc remained fairly steady against the D-Mark, closing at FF3.389 from a previous FF3.394. The franc also rose a pence, closing at DM2.3800.

Some dealers had expected the British currency to perform more strongly in the wake of comments from the Bank of England governor that UK base rates would rise if the currency depreciated further. Mr Jim O'Neill of Swiss Banking Corporation believes that if sterling breaks above DM2.40

in the next few days, it will have been through the worst. On German rates, Mr O'Neill says: "It's a brave person who has a confident view about the Bundesbank in the run up to a council meeting. There is a clear group in the council who are in favour of easing and will be in favour of easing again."

But he also believes that, whatever the Bundesbank does, it will be hard for the Spanish peseta, the Portuguese escudo and the Irish punt to stay in the ERM. "Their relatively poor fundamentals and, most importantly, the instability of the lira and sterling make it increasingly difficult for this group to remain within the ERM," he says.

The yen firmed against the dollar closing at ¥117.70 from a previous ¥118.60. The yen will remain buoyed by repatriation of Japanese funds as the financial year-end approaches on March 31 but may decline after that.

FINANCIAL FUTURES AND OPTIONS

LIFETIME GILT FUTURES OPTIONS

Strike	Call	Put	Call	Put
100	2.50	2.50	1.25	1.25
105	2.50	2.50	1.25	1.25
110	2.50	2.50	1.25	1.25
115	2.50	2.50	1.25	1.25
120	2.50	2.50	1.25	1.25
125	2.50	2.50	1.25	1.25
130	2.50	2.50	1.25	1.25
135	2.50	2.50	1.25	1.25
140	2.50	2.50	1.25	1.25
145	2.50	2.50	1.25	1.25
150	2.50	2.50	1.25	1.25
155	2.50	2.50	1.25	1.25
160	2.50	2.50	1.25	1.25
165	2.50	2.50	1.25	1.25
170	2.50	2.50	1.25	1.25
175	2.50	2.50	1.25	1.25
180	2.50	2.50	1.25	1.25
185	2.50	2.50	1.25	1.25
190	2.50	2.50	1.25	1.25
195	2.50	2.50	1.25	1.25
200	2.50	2.50	1.25	1.25

Estimated volume total, Call 2276 Puts 4075
Previous day's open, Call 1779 Puts 2176

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

LIFETIME GILT FUTURES OPTIONS

LIFETIME GILT FUTURES OPTIONS

Strike	Call	Put	Call	Put
100	2.50	2.50	1.25	1.25
105	2.50	2.50	1.25	1.25
110	2.50	2.50	1.25	1.25
115	2.50	2.50	1.25	1.25
120	2.50	2.50	1.25	1.25
125	2.50	2.50	1.25	1.25
130	2.50	2.50	1.25	1.25
135	2.50	2.50	1.25	1.25
140	2.50	2.50	1.25	1.25
145	2.50	2.50	1.25	1.25
150	2.50	2.50	1.25	1.25
155	2.50	2.50	1.25	1.25
160	2.50	2.50	1.25	1.25
165	2.50	2.50	1.25	1.25
170	2.50	2.50	1.25	1.25
175	2.50	2.50	1.25	1.25
180	2.50	2.50	1.25	1.25
185	2.50	2.50	1.25	1.25
190	2.50	2.50	1.25	1.25
195	2.50	2.50	1.25	1.25
200	2.50	2.50	1.25	1.25

Estimated volume total, Call 2276 Puts 4075
Previous day's open, Call 1779 Puts 2176

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

Estimated volume total, Call 0 Puts 0
Previous day's open, Call 1511 Puts 5990

33

CANADA

Stock	Stock	High	Low	Close	Stock	Stock	High	Low	Close
TORONTO									
4 p.m. close March 2									
Quotations in cents unless marked S									
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss A	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss B	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss C	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss D	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss E	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss F	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss G	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss H	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss I	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss J	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss K	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss L	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss M	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss N	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss O	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss P	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss Q	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss R	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss S	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss T	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss U	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss V	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss W	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss X	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss Y	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss Z	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AA	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AB	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AC	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AD	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AE	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AF	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AG	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AH	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AI	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AJ	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AK	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AL	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AM	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AN	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AO	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AP	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AQ	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AR	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AS	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AT	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AU	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AW	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AX	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AY	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss AZ	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BA	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BB	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BC	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BD	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BE	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BF	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BG	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BH	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BI	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BJ	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BK	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BL	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BM	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BN	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BO	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BP	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BQ	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BR	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BS	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BT	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BU	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13	13 1/4	+ 1/4	2000 Danfoss BV	27	27		
10400 Alcan Pk	517 1/2	13</							

IS THIS YOUR OWN COPY OF THE FINANCIAL TIMES?

Or do you rely on seeing someone else's? Every day the FT reports on the topics that matter to people doing business every day, in and from Europe.

We cover the latest European, U.S. and international news, and analyse the implications from a European perspective. In fact you'll find far more than finance in the FT.

No surprise then, that the Financial Times is read by over four times as many senior European businessmen and women as any other international newspaper.*

Make sure you're one of them by getting your own copy of the newspaper delivered daily to your office.

*Source EBRB 1991

SPECIAL INTRODUCTORY SUBSCRIPTION.

TWELVE FREE ISSUES DELIVERED TO YOUR OFFICE

To: Gillian Hart, Financial Times (Europe) GmbH, Nibelungenplatz 3, D-6900 Frankfurt/Main 1, Germany. Tel. +49(0) 69 80000, Tlx. 410045, Fax. +49(0) 69 80435.

YES, I would like to subscribe to the Financial Times, and enjoy my first 12 issues free. I will allow up to 21 days before delivery of my first copy. Please enter my subscription for 12 months at the following rate:

Austria	OES 5,500	France	FFR 19,500	Luxembourg	LFR 12,500	Spain	PTS 50,000
Belgium	BFR 12,500	Germany	DMA 750	Netherlands	DFL 9,750	Sweden	SEK 2,500
Denmark	DKK 3,125	Ireland	IR£ 224.40	Norway	NKR 2,500	(Switzerland)	SFR 480
Finland	FMR 1,980	Italy	LIT 540,000	Portugal	ESC 9,000	Turkey	TL 145,000

☐ bill me ☐ Charge my American Express/Diners Club/Eurocard/VISA Account.

Expiry Date _____

* Circulation source: any one valid in the country in which this can be proved, before giving Publishers a correct list of rates of sale to press. ** A monthly circulation report. Price per edition of 1 FT in all 21 countries except Germany and France or 20% cash paid 20th June 1991.
To subscribe to the FT on English terms contact New York Tel 792-7500, Fax 800-229, For Euro contact FinTel Tel 00412 Fax 5291712.

FINANCIAL TIMES
PUBLISHED DAILY MONDAY TO FRIDAY

FAR MORE THAN FINANCE.

4 pm close March 2

[illegible]

Continued on next page



GET

[illegible]

AMEX COMPOSITE PRICES

Stock	P/E	Div.	Yld.	100s	High	Low	Close	Change	Stock	P/E	Div.	Yld.	100s	High	Low	Close	Change	Stock	P/E	Div.	Yld.	100s	High	Low	Close	Change
Adrian Corp.	0.2100	0.05	12	15	14	14	14	+1/2	Compt. Data	0.20	0.30	33	92	82	84	84	+1/2	Glaxo	0.24	0.48	133	285	28	28	28	+1/2
Affiliated Corp.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Greenberg & B.	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84	+1/2	Hecht	0.24	0.48	133	285	28	28	28	+1/2
Alpha Ind.	0.14	12	15	14	14	14	14	+1/2	Continental	0.18	0.20	33	92	82	84	84										

NASDAQ NATIONAL MARKET[illegible]

**GET YOUR FT BY HAND DELIVERY
IN STOCKHOLM.**

If you work in the business centres of Malmö, Lund, Stockholm or Gothenburg we'll deliver your daily copy of the FT to your office at no extra cost. Call Bradley Johnson for details (08) 666 0065.



AMERICA

Economic indicators put Dow on upgrade

Wall Street

AFTER a hesitant opening, US markets posted solid gains yesterday morning, aided by stronger than expected leading economic indicators and heavy demand for RJR Nabisco shares, writes Patrick Harverson in New York.

At 1 pm, the Dow Jones Industrial Average was up 17.30 at 3,372.71. The more broadly based Standard & Poor's 500 was 2.09 higher at 444.09, while the Amex composite was up 1.11 at 408.65, and the Nasdaq composite up 4.72 at 874.23. Trading volume on the New York Stock Exchange was relatively light at 150m shares by 1 pm, and rises outnumbered declines by 1,043 to 712.

Prices slipped lower in early trading, primarily in reaction to weak bond prices. The bond market, however, was responding to generally positive news for equities - an unexpected 0.1 per cent rise in January's index of leading economic indicators which, analysts said, bode well for both the employment outlook and corporate earnings.

Analysts also noted some technical features which revealed the underlying strength in equities, notably that in the past eight trading sessions the number of advancing stocks has totalled more than 1,000 every day.

Prices were also helped by heavy trading in the shares of RJR Nabisco, the food and tobacco group. RJR announced plans yesterday to create a separate group of shares particularly targeted to performance of its worldwide food businesses. The plan, which requires shareholder approval, will culminate in a \$1.5bn initial public offering of stock in RJR-Nabisco, the newly-formed unit.

News of the plan was warmly greeted by investors, who bid up RJR stock 3 1/2% to 85 1/2% as more than 7m shares changed hands in busy trading. Among generally firmer stocks, Kmart rose 3/4% to 32 1/2% in volume of almost 1m shares after the retailing group announced record fourth quarter profits of \$535m, up from \$479m a year ago. Elsewhere in the sector, Wal-Mart firm 3/4% to \$33 1/2, Sears added 3/4% to \$53 1/2, and JC Pen-

ney rose 3/4% to \$81 1/2.

Knight-Ridder dropped 3/4% to \$57 1/2 after the Wall Street securities house, Kidder Peabody, lowered its rating on the stock from a "buy" to a "hold", citing concerns about the information group's revenues and costs.

On the Nasdaq market, medically-related stocks, recently battered by concerns about the implications for corporate earnings of planned healthcare reform, bounced back. Biogen rose 3/4% to \$31, Chiron added 3/4% to \$41 1/2, SciMed Life up to \$3 at 44 1/2, and Keart Technology firmed 3/4% to \$17.

Canada

TORONTO inched up in mid-day trade as the market absorbed bank earnings and loan loss information from the Royal Bank of Canada and the Bank of Nova Scotia. Traders said that Royal Bank's results, while lower, were better than expected.

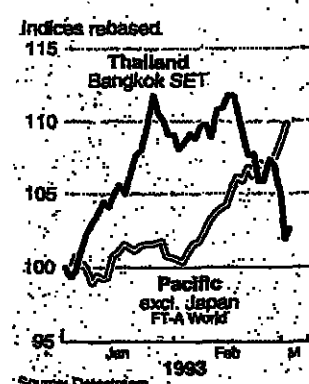
The TSE-300 composite index rose 3.06 to 3,494.75 in volume of 26.14m shares valued at C\$310.5m. At 1 pm, Royal Bank of Canada was unchanged at C\$24 1/2.

Only a month ago the Stock Exchange of Thailand index, comfortably supported by strong corporate earnings growth, seemed poised to celebrate the market's bull run by breaking through the 1,000-point barrier.

In the past few weeks, however, one bad news item after another has forced the SET index down. From a peak of 998.44 in January, the SET index fell to 910.52 on Monday this week before staging a moderate recovery yesterday to 922.48. "It is funny how quickly a market can lose 10 per cent," said one stockbroker in Bangkok yesterday.

The first blow to confidence was the closure of First City Investment, a listed finance and securities company which ran out of money and suspended payment of mature promissory notes.

Although the company was regarded as badly managed, and although the Bank of Thailand, the central bank, has arranged a rescue, some local investors remembered the market fall which followed the col-



Source: DataStream.

lapse of Raja Finance 13 years ago and feared that there would again be knock-on effects from the closure. The mood was not helped by mutterings about a possible dispute within the Democrat Party, which leads the coalition government, over whether to save FCI or not. Ms Patcharoen Wongpatitorn, the wealthy businesswoman at the helm of the company, is the daughter of a former Democrat leader. Nor was sentiment improved by the comments of a frustrated opposition MP who called for a military coup d'état during a dispute over the 1993 budget.

Meanwhile, the authorities have been continuing their painfully slow attempts to prosecute Mr Song Watchararaj, a leading player in the market better known as Sia Song, for illegal share price manipulation.

The gloomy assumption among the local speculators that the central bank knew of the SET's turnover is that the regulators have so much egg on their faces over the mishan-

figures announced earlier, as well as being below the 1991 profit of Bt3.99bn. The share price fell sharply.

Another unsettling factor for the SET has been the suggestion that the widespread premiums for the limited number of shares that can be legally held by foreigners will disappear if the authorities approve a plan to set up a trust fund to keep shares for foreign investors.

As if all this were not enough, news dribbled out that the board of Bangkok Bank, the largest bank which accounts for about 5 per cent of the entire market capitalisation, had approved an eventual doubling of its registered capital to Bt20bn and was planning a three-for-10 rights issue this year.

The disappointment among investors was palpable. They had believed that commercial banks were generating enough money from their record profits to avoid such calls for fresh capital and dilution of earnings; and since Bangkok Bank was the market leader, the others were bound to follow.

Banks shares account for about a quarter of the SET index, and their behaviour has been partly responsible for the rise - and the recent fall - of the index. Several bank share prices have tripled in the past 18 months, prompting some brokers to suggest that the market's recent decline is no more than a timely correction. Many brokers predict in any case that by the end of the year the index will reach 1,000 or 1,300 because earnings growth remains so strong across the economy.

Yesterday was perhaps a typical day. With the tourist trade denied by the political violence last May, the Oriental Hotel reported a fall in profits in 1992. But Land and Houses, a property company, announced net profits 75 per cent up at Bt1.24bn; Charoen Pokphand Feedmill was up 30 per cent to Bt1.19bn; and Nattaporn Publishing was 52 per cent higher at Bt184.5m. Most companies in Europe and Japan can still only dream of results like that.

EUROPE

Rate cut optimism ebbs after German repo move

A HIGHER than expected repo rate in Germany slightly dampened hopes of a cut in key interest rates this Thursday, writes Chris Matthews in Frankfurt.

FRANKFURT consolidated, banks staying relatively strong on the view that rate cuts are only a matter of time, and degree. Deutsche Bank ended unchanged at DM71.1, while Dresdner rose DM2.50 to DM407.30 as the DAX index eased 4.21 to 1,996.75, and turnover fell from DM7.5bn to DM6.5bn.

Notable fallers included Hoechst, down DM5.10 to DM280.90 following adverse media comment on the likely health impact of last week's toxic chemicals spillage in the suburbs of Frankfurt.

Carmakers were mixed, with BMW down DM5.40 to DM497.50, but Volkswagen DM4.50 higher at DM278.50. VW said in Geneva that recent reports on its prospects had been too gloomy, that it would break even this year and that it would focus on profits, not volume, in the 1990s.

PARIS finally broke through the 2,000 barrier to close at its highest level for about 9 months. The CAC-40 index, which had seen a day's decline, finished just 2.50 ahead at 2,000.51 in turnover of some FF2.9bn. Some analysts said that while the 2,000 level had been in target since last week it was not clear who was buying the market, although some US funds had been seen.

Michelin was among the day's losers after an independent research group cut its earnings forecasts in half because of the depressed state of the car sector. The shares fell FF1.80 or 2.5 per cent to FF181.80.

MILAN was driven by Monday's late news that the Italian cabinet had approved a decree law allowing the establishment

FT-SE Actuaries Share Indices

March 2		THE EUROPEAN SERIES									
Daily changes		Open	10.30	11.00	12.00	13.00	14.00	15.00	Close		
-SE	Eurotrack 100	1156.97	1155.99	1156.99	1156.53	1156.03	1156.80	1156.92	1156.71	1156.71	
-SE	Eurotrack 200	1209.47	1208.28	1208.42	1209.73	1209.12	1209.20	1210.02	1212.02	1211.84	
Mar 1											
-SE	Eurotrack 100	1158.20	1139.80	1125.06	1116.05	1116.05	1116.05	1116.05	1119.41	1119.41	
-SE	Eurotrack 200	1213.57	1194.07	1178.13	1172.14	1172.14	1172.14	1172.14	1178.69	1178.69	
Note: values 1000 (26/10/90) High/Low 100 - 1157.45, 200 - 1212.37 Low/Low 100 - 1155.52, 200 - 1207.84											

of private pension funds. Even a downgrade by Standard and Poor's, the US rating agency, of the country's long term debt had little lasting effect on sentiment and the Comit index closed up 5.49 at 536.69 in heavy turnover.

Against this, analysts said that economic fundamentals remain poor, that the pension fund news has already been discounted and that, while fresh liquidity will be generated, this is unlikely to have any effect on the equity market before the end of the year.

Generally, the country's largest insurer, which had advanced nearly 6 per cent on Monday ahead of the cabinet's announcement, eased on the back, losing L60 to L36.950.

AMSTERDAM weakened with KLM being affected by a statement from SAS which cautioned against hopes that talks between the Dutch carrier and members of the European Quality Alliance - SAS, Swissair and Austrian Airlines - would eventually lead to a merger between the four. The CBS Tendency lost 0.6 to 99.3 with KLM down Fl1.10 at Fl24.70.

MADRID eased on profit-taking, the general index closing 1.05 lower at 335.61. Banks were flat on average and construction generally weaker.

The day's big fall was reserved for the recently ebullient Nissan Iberica, Pta34, or nearly 10 per cent lower at

ASIA PACIFIC

Australia shows strength in a weak region

Tokyo

INDEX-LINKED selling by investment trusts depressed share prices, and the Nikkei average closed lower in spite of a late bout of arbitrage buying, writes Emiko Terazono in Tokyo.

The 225-issue index ended 15.35 down at 16,864.25 after a day's high of 16,922.75 and low of 16,796.53. The index fell in the morning on lingering concern over the country's expected corporate profits, but recovered some of its loss in afternoon trading.

Volume picked up to 220m shares from 194m and declines finally led advances by 584 to 377, with 187 issues unchanged. The Topix index of all first section stocks eased by a marginal 0.43 to L275.82, and in London the ISE/Nikkei 50 index edged up 0.38 to 1,026.00.

In spite of the fall in the leading index, traders said sentiment was firm. Public funds were seen placing buying orders around the 16,800 level and continued strength in Nippon Telegraph and Telephone, usually seen as a market benchmark, provided some optimism.

NTT gained Y15,000 at Y646,000 in heavy trading, with 38,618 shares changing hands, the heaviest since March 1991. The issue has advanced due to anticipation of a rise in city call rates, which is expected to improve earnings.

Reports last week that the government will focus its new economic stimulus package on upgrading the country's telecommunications infrastructure also prompted dealer buying.

Telecommunications engineering companies with close ties to NTT strengthened. Dai-ichi Telecom Engineering, which installs telecom wires for NTT, climbed Y23 to Y685,

while Nippon Comsys moved ahead Y26 to Y787 and Kyocera Y34 to Y569. Cable companies were firm, with Fujikura rising Y11 to Y569 and Hitachi Cable Y2 to Y644.

Tokyo Steel, the electric furnace steel maker which declined on Monday following a downward earnings revision by Nomura Research Institute, rebounded Y80 to Y2,210 on bargain hunting.

Toyobo, a leading textile manufacturer, shed Y9 to Y318 on reports that it would close its cotton-spinning plants temporarily due to sluggish demand.

In Osaka, the OSE average fell 59.66 to 17,896.82 in volume of 63.7m shares. Liquidation of margin positions pushed the index below the 18,000 level for the first time since January 27.

In Singapore, the Singapore International Monetary Exchange said trading of the

Nikkei 225 futures last month surged 2.45 times from the previous year to 283,113 contracts due to firm interest from Japanese fund managers.

Roundup

WITH THE exception of Australia the region weakened yesterday.

AUSTRALIA continued to climb, adding to Monday's substantial gains. The All Ordinaries index put on 5.8 at 1,665.0 in turnover of A\$77.6m. Good earnings results and the prospects of an interest rate cut contributed to the strength of the market. Among the banks, ANZ advanced 6 cents to A\$3.50 with 8.1m shares changing hands. Westpac firmed 3 cents to A\$3.22 and Commonwealth appreciated 12 cents to A\$7.02.

HONG KONG began to decline at the opening on

reports in the Chinese press that Li Peng, the Chinese premier, will make a strong attack on Hong Kong governor Mr Chris Patten in his report to the country's parliament this month.

The Hang Seng index lost 54.59 at 6,344.23, after reaching a low for the day of 6,340.50 in the afternoon, in turnover of HK\$3.6bn.

Mr Patten said diplomatic exchanges were still taking place and that he would make an important statement this week "which will set out the way ahead".

Some property stocks, which made sharp gains on Monday, fell back: Cheung Kong receded 30 cents to HK\$22.20. HSBC fell 50 cents to HK\$84.50.

TAIWAN declined on profit-taking and the weighted index closed 172.60, or 3.8 per cent, lower at 4,344.99. Turnover was a heavy T\$39bn, its highest

since May 1991. Financials, which have led the recent equity rally, were particularly hard hit.

However, some brokers said that in spite of yesterday's weakness, the medium-term outlook remained optimistic because of an improving economic and political situation.

SINGAPORE extended its falls as investors continued to take profits. The Straits Times Industrial index slipped 6.00 to 1,652.81 in volume down to 123m shares from 166m.

SEOUL lost ground for the fifth straight trading day but volume was said to be thin. The composite index dipped 9.23 to 633.73 in turnover of Won234.3bn.

MANILA retreated further, with the composite index giving up 20.44 to 1,473.95 in turnover down to 163m pesos from 196m pesos. PLDT surrendered 15 pesos to 965 pesos.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY MARCH 1 1993										FRIDAY FEBRUARY 26 1993										DOLLAR INDEX				
	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	1992/93 High	1992/93 Low	Year ago (approx)	
Australia (68)	135.83	+3.7	139.95	101.90	116.36	128.11	+2.1	3.84	131.13	136.62	97.81	111.91	125.46	153.68	106.18	146.28									
Austria (18)	149.01	+1.7	153.42	111.71	127.55	127.58	+1.9	1.78	148.54	152.68	109.31	125.06	125.14	186.70	131.16	180.48									
Belgium (42)	141.01	+0.0	145.18	105.71	120.71	118.06	+0.3	5.12	140.99	146.99	105.15	120.32	117.69	152.27	131.19	142.35									
Canada (113)	119.10	-0.7	122.82	89.28	101.84	107.64	-0.6	3.10	119.92	124.95	99.45	102.34	106.50	142.12	111.38	135.47									
Denmark (133)	199.93	-0.8	205.84	149.89	171.14	171.65	-0.7	1.34	201.18	209.60	150.06	171.89	172.79	273.94	181.70	243.45									
Finland (23)	171.19	-0.2	173.30	53.37	60.94	69.50	+0.4	1.58	171.31	174.28	53.19	60.85	69.12	89.80	52.84	85.84									
France (18)	137.98	+1.7	142.06	103.44	118.11	131.46	+1.9	4.04	135.71	141.38	101.23	115.82	125.16	167.75	136.93	152.81									
Germany (62)	113.82	+0.7	116.88	85.19	97.25	97.25	+1.0	2.35	112.79	117.51	84.14	96.25	96.25	129.69	101.59	120.43									
Hong Kong (55)	259.91	+1.0	268.58	180.10	221.64	257.06	+1.0	3.52	256.34	267.08	181.20	218.77	254.51	282.28	176.36	204.89									
Ireland (18)	137.98	+1.7	142.06	103.44	118.11	131.46	+1.9	4.04	135.71	141.38	101.23	115.82	125.16	167.75	136.93	152.81									
Italy (79)	63.81	+5.8	65.80	47.91	54.71	74.73	+4.2	2.71	60.43	62.96	45.07	51.27	71.73	90.86	47.47	75.28									
Japan (472)	107.57	-1.2	111.16	80.94	92.44	80.94	-0.7	1.03	109.27	113.85	81.51	93.27	81.51	140.95	87.27	118.51									
Malaysia (69)	275.05	+0.1	283.19	206.19	235.49	278.71	+0.1	2.40	274.77	286.28	204.49	244.49	278.43	282.42	212.49	244.45									
Mexico (18)	146.83	+3.5	150.00	109.42	124.93	149.42	+3.4	2.21	141.30	146.96	105.94	120.57	147.81	178.77	118.84	174.81									
Netherlands (25)	160.35	+0.2	165.09	120.21	137.28	135.50	+0.5	4.22	160.00	166.71	119.35	136.55	134.85	169.70	147.98	151.43									
New Zealand (13)	45.80	+2.3	47.15	34.34	39.20	46.16	+1.8	4.74	44.75	46.63	33.38	38.19	46.37	48.32	37.39	45.76									
Norway (22)	139.50	+0.8	143.62	104.58	119.41	132.08	+0.7	2.00	138.93	144.43	103.40	118.31	131.78	162.85	128.08	167.15									
Singapore (38)	221.91	-0.2	228.47	166.36	189.95	168.27	-0.2	1.96	222.29	231.59	166.80	188.70	166.80	228.83	179.65	206.88									
South Africa (60)	186.73	-0.5	171.86	124.99	142.72	165.63	+0.1	3.04	187.49	174.50	124.93	142.93	166.51	283.60	1										
Spain (46)	127.12	+1.5	130.87	95.30	108.81	113.63	+1.7	5.35	126.25	130.48	93.41	106.87	111.71	181.72	107.10	175.08									
Sweden (38)	168.72	+2.3	167.51	121.99	138.69	167.17	+1.7	2.07	159.01	165.67	116.61	135.70	163.90	200.28	146.69	180.98									
Switzerland (25)	111.48	+0.8	115.80	78.47	87.97	90.73	+0.5	2.55	110.45	115.28	78.49	87.97	90.73	122.88	98.98	108.98									
United Kingdom (226)	167.26	+2.1	172.21	125.38	143.17	172.21	+2.0	4.27	164.13	172.11	122.64	140.32	171.32	201.60	161.86	178.98									
USA (77)	180.62	-0.3	185.96	135.41	154.62	180.62	-0.3	2.81	181.09	188.67	135.06	154.35	181.09	176.78	160.92	168.53									
Europe (228)	130.43	+1.4	143.56	104.58	119.36	132.65	+0.9	5.92	137.54	143.30	102.08	117.39	131.67	156.68	131.31	146.53									
Nordic (114)	148.86	+1.3	154.08	112.20	129.11	150.34	+1.0	1.84	147.19	153.87	110.23	126.12	148.91	188.52	141.24	174.79									
Europe Pacific (715)	124.25	+0.8	129.75	95.30	106.36	125.42	+0.8	2.35	124.02	129.21	92.50	105.95	125.40	151.23	113.80	132.17									
North America (833)	124.25	+0.2	127.93	93.14	106.36	106.48	+0.2	2.35	124.02	129.21	92.50	105.95	125.40	151.23	113.80	132.17									
Asia Pacific (249)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.33	176.17	179.58	158.70	168.44									
Pacific Ex Japan (234)	176.80	+0.3	182.03	132.86	151.37	175.69	+0.3	2.82	177.81	184.71	132.25	151.													